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The Nation's Business

Beatty Senses Industrial Opportunity

SIR EDWARD BEATTY is returning to Canada this week with a definite proposal for the admittance of skilled workmen refugees from central Europe. In an interview in London last week he emphasized the great opportunity now given Canada to obtain new industries from the Old World.

Horace T. Hunter, president of The MacLean Publishing Co., in a cable to The Post from Paris, tells this week of French investigations of Canada as a site for industrial branch plants.

Until details of the Beatty plan are available discussion of its merits pro and con serves no particular purpose. What is important is that men of the calibre of Sir Edward, when they visit Europe, realize at once the tremendous opportunities for new industrial expansion which lie before Canada if we can capitalize the present desire of men of capital and initiative to transfer their operations (in part at least) from the Old World to the New.

It is not good enough to hope that some of these people will find their way to Canada. We must go farther and invite these people here.

The Canadian Government should consult with Sir Edward immediately on his return regarding the personnel and formation of a special industrial commission charged with the responsibility of proceeding at once to Europe to cash in on this very important opportunity.

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Great Industry Lags While Ottawa Sleeps

CANADA has a well-developed aircraft industry, but it is doing only a fraction of the business it should. There are numerous plants experienced in the manufacture and assembly of airplanes. One company, Canadian Car and Foundry, has gone so far as to design and manufacture an airplane engine. There are other plants ready to go into the manufacture of engines—if they could get orders.

The airplane plants in Canada are laying off their skilled workmen because of lack of orders. These workmen are leaving Canada to get jobs. In every other industrial country airplane plants are working overtime.

During the past year and a half, not a single airplane has been ordered in Canada by the Department of National Defense. But many airplanes have been ordered by the Department in other countries.

Canadian Aviation, in its current issue, properly protests against this amazing state of affairs. Were it not for the $10 millions try-out order from the British Government our industry would have been obliterated by now, it points out.

This order, by the way, was shared by six companies. Other companies either were not invited to participate or elected to stay out of it because of the rather rigorous terms as regards new capital investment in assembly plants, etc. The $10 millions order could have been 10 times that if Ottawa had co-operated.

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NOT a single dollar, says Canadian Aviation, has been returned on the invested capital that has made what little aircraft industry we have possible. It adds:

> "And just to make sure that the lid is on firmly the authorities clamp down on the industry with the iniquitous 5% clause in the much-discussed Bill 38."

Young Canadians, who have spent their money training for jobs in aircraft factories, are unable to get employment. Young men cannot get into the air force and have to listen to politicians talking about "youth camps."

Canadian Aviation's comments confirm what The Financial Post has been saying about the incompetence of those in charge of national defense and about the delays in Canada's rearmament programme.

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CANADA should be one of the world's greatest aircraft manufacturing countries. We should be providing Canadian airplanes — trainers, advanced trainers, bombers —for the Royal Canadian Air Force and for commercial use. We should be training pilots and mechanics in large numbers. We should be filling abundant orders from the United Kingdom, France and other democratic countries. Our present plants should be bursting with orders and forced to expand. The industry should be developing toward the stage of complete manufacture of all parts of planes, including engines and even instruments.

All this we should have in Canada. And it would not take long to get it if Ottawa would map out a programme combining the rapid re-equipment of the air force with Canadian-made planes; a better break for Canadian-made planes in government's commercial services; and official co-operation with the manufacturers in obtaining business from overseas.

But the Government plays around with "relief" schemes for the unemployed. The best form of relief is jobs. In the aviation industry and industries that would benefit from its development we could provide thousands of jobs for young Canadians.

(Continued on page 2, col. 4)

Inter. Utilities Estimates Net Up This Year

S. E. C. Approves Payment of Prior Preferred Dividend

HOLD ARREARS ITEM

Current income of International Utilities Corp. for the five months ended May 31, 1939, was $167,896, according to information filed with the S.E.C. at Washington. The report accompanies application for approval of payment of a regular quarterly dividend of 87½ cents a share out of capital surplus on the $3.50 preferred, and $1.43¾ on account of arrears on the $1.75 preferred.

The S.E.C. has authorized the payment of the regular dividend on the $3.50 preferred on Aug. 1, 1939, to shareholders of record July 20. As regards the proposed payment on the arrears on the $1.75 preferred, a ruling was reserved until the Commission has disposed of the application by General Water, Gas and Electric Co., a subsidiary of International Utilities, to acquire the common stock of California Water Service Co.

Estimate for Year

International Utilities estimates its income for the remainder of 1939 at $253,009, making a total income for this year of $421,305. The S.E.C. comments that this estimated income does not appear "to be unreasonable in the light of the applicant's earnings of the past three years."

International Utilities also states that it anticipates receiving an additional $55,000 from the employment of idle funds during the rest of this year which would bring total 1939 income to $476,305. This would compare with an adjusted figure of $438,927 for 1938.

Balance Sheet Revised

International Utilities has revised its Dec. 31, 1938, balance sheet. Chief change has been that net losses on and net reserves for investments, charged to capital surplus during the preceding seven years to the amount of $2.7 millions, are transferred from capital surplus to earned surplus.

Along with other adjustments this transforms the earned surplus of $1.4 million shown in the previously released balance sheet for the end of 1938 to a deficit of $1.6 million in the adjusted balance sheet as at May 31, 1939. At the latter date a capital surplus of $3¼ millions is shown.

Earnings Record Studied

In enquiring into the advisability of authorizing the proposed dividend payment, the S.E.C. made a study of the earnings record and current earnings position of International Utilities. Allowing for four quarterly payments on the prior preferred for 1939 and the proposed extra dividend on the $1.75 preferred, total dividend disbursements for this year would be $497,911, an amount $34,874 above full annual dividend requirements on the two classes of stock.

The commission finds that payment of the regular $3.50 prior preferred dividend is justified, both on the basis of estimated earnings and the company's financial strength.

Cash Being Reduced

The company's adjusted balance sheet as at May 31, 1939, shows cash of $1.1 million. It is anticipated, however, that this cash balance would be reduced by certain sales and acquisitions to $516,364.

The bulk of the extra $55,000 which International Utilities estimates will be received in this year would come as a result of the acquisition, with funds partially advanced by International Utilities, of the common stock of California Water Co. by General Water, Gas and Electric Co., a 75.9% owned subsidiary of International. Application for approval of this purchase is now before the Commission.

STUDIES U.K. MARKET

To investigate the market in England for cheese and fruit, Hon. P. M. Dewan, Ontario Minister of Agriculture, sailed from Quebec recently on the Canadian Pacific liner Empress of Australia. Mr. Dewan, seen here as he boarded the boat train, explained that Ontario farmers lately have been diverting more and more of their milk supply to the manufacture of cheese. While overseas he will investigate the market with a view to placing this product. Fruits too should be saleable in Great Britain, he thinks, especially apples. He will return to Canada on Sept. 2.

French Plane Order Slated for Car Firm

National Steel Car Co. Officials, While Denying Actual Order For 140 Bombers, Admit Negotiations Are in Progress

Officials and directors of National Steel Car Co. deny that they have received an order from the French Government for 140 bombing planes. But it is admitted that there have been "discussions," and that rumors of the deal being closed are "premature," rather than being unfounded.

R. J. Magor, president of the company, recently proceeded overseas. Company officials will not say whether or not his mission is to close the French order, which it is estimated would amount to some $14 millions.

A representative of a French aircraft production group acting for the French Government has been in Canada for some weeks discussing with various airplane manufacturers the possibility of placing such an order in Canada. This was recently reported in The Financial Post.

Assembly Project Shelved?

Original plans, it is learned, were to set up a manufacturing and assembly organization similar to the Canadian Associated Aircraft, now manufacturing planes for the British Government. But a number of the manufacturers are short of working capital and would not be in a position to subscribe to shares in another assembly company, unless given assistance.

National Steel Car Company is strong in working capital and students of the company aver that it could handle an order for 140 bombing planes itself. Balance sheet issued in connection with the offering of 45,500 shares at $35 a share, showed that National Steel Car had current assets of $2.8 millions at Nov. 30, 1938. This included cash of $371,618 and call loans of $801,315. Current liabilities were only $354,095, leaving net working capital at $2.4 millions.

National Steel Car stock is a favorite with Canadian investors. It is subject to wide swings in price and recently has been quite active, moving up from $44 a share at the end of June to $51 on July 24. This move was accompanied by a rise in turnover from under 100 shares a day to 2,900 shares on July 24.

Order Not Confirmed

The Montreal Correspondent of The Financial Post writes:

There is a distinct possibility that French orders for military aircraft may be placed in Canada.

Canadian aircraft manufacturers have been negotiating with French interests for more than a year, but as yet no official order has been placed.

Definite information as to plans of the French interests is lacking. It is not known whether the French Government will place orders with Canadian manufacturers or through French aircraft concerns. During the past year representatives of the French Government, French aircraft manufacturers and French banking interests have visited Canada to determine the possibility of developing a source of military planes in Canada.

French aircraft manufacturers have also been studying the feasibility of establishing branch plants in Canada.

Nearly all, if not all, of the Canadian aircraft concerns have had conversations or negotiations with French interests at various times during the past year. As yet, however, none of them has reported an order.

New Brunswick to Get Frozen Fish Plant Unit

From Our Own Correspondent

MONTREAL.—The Gordon Pew Fisheries Co., one of the largest fish concerns in the United States, has announced plans for establishment of a frozen fish plant at Caraquet, N.B.

Elevator Securities Look Up As Western Drought Era Ends

Canadian elevator companies are just concluding probably the best year since 1933 and facing a new one when returns should be still better.

The crop year 1938-39 ends this month and also the company year for most of the elevator concerns.

Improvement this season follows the most difficult period in the history of storing and marketing Canadian wheat. Elevator companies have found it difficult to avoid actual operating losses, or if bond interest has been earned, then to set aside appropriations for depreciation.

Prospects a year ago seemed to be that the current crop year might at least be a fair one. Those prospects, however, were, so far as some of the country was concerned, dissipated when rust and hoppers destroyed a large part of the crop of Manitoba and Saskatchewan.

Earnings of the elevator companies also suffered from the fact that the crop year 1938-39 began with a minimum carryover of wheat in Canada. New crop wheat was either rapidly marketed or else moved forward to terminal elevators in eastern Canada, while the Canadian Wheat Board also put a good deal of grain in storage in Government owned terminals in the West. To secure some earnings in terminal space, some of the elevator companies entered into spreading transactions with the Canadian Wheat Board, buying cash wheat and reselling it for future delivery on a basis that gave them required tariff charges on storage space.

During the past few months, some regular storage earnings began to accrue to elevator companies, more particularly to those owning country elevators in Alberta. Due to uncertainty as to whether or not the crop of that province should be moved to market by the eastern or the western route, and also due to the fact that the Alberta crop was considerably better than that of the other provinces, country elevators in Alberta have had better earnings than those in the other provinces.

Group Earns Interest

If results for elevator systems as a whole were combined in the year just closing, they would probably show bond interest earned with some margin for depreciation but less than regular rates and with no net earnings on shareholders' equity. The coming year may reasonably be expected to show some earnings on shareholders' equity for all elevator companies. Resumption of dividend payments, either on preferred or common stocks, is not to be expected as a result of one year's operations, as most companies will need to build up working capital, depleted as a result of years of poor crops.

Moreover, to put these in shape to handle a succession of good crops, most elevator companies will need to make some considerable capital expenditures. Scale and dumping equipment, which was adequate 10 years or so ago, no longer enables a country elevator to cope with a crop rushed to market so rapidly as trucking now permits. During several years past there has been in progress a good deal of work in improving equipment, in those districts where crops were reasonably good. A good deal of investment is now required in those large areas of Saskatchewan which suffered crop failure for years in succession. Some of that is being done this year, but more is in prospect if earnings from this year's crop permit. Handling of the 1939 crop will demonstrate to what extent elevators in western Canada and terminal elevators elsewhere have been overbuilt.

Several Lean Years

The period of large expansion of elevator capacity was mainly during the few years ended in 1928. Elevators, however, were reasonably well employed up to the end of 1933 because of the large and growing carryover of wheat in Canada, which reached a high of 218 million bushels in 1933. The succeeding five years saw it gradually lessened, and then finally practically wiped out. The same five years saw small crops in the West, and the disparity between the business actually done by the elevator plant of the West, and the business it was equipped to do, became steadily more evident.

But many of the apparently excess elevators were in the drought area, sometimes four to six at a single point, at which often not more than one, and sometimes two would be kept open. At many such points this year, all of the elevators are likely to be fully employed. In fact, actual congestion of space is possible.

Terminal elevators owned by western companies have suffered, during recent years, from the building of new elevator capacity in the east.

(Continued on page 13, col. 5)

Foreign Funds Acquire Store

European - Canadian Group Takes Over Fairweathers, Toronto

SELL WOMEN'S WEAR

Reflecting further inflow of European capital and enterprise seeking haven in Canada, representatives of French merchandising interests have joined with Canadian associates in acquiring Fairweathers Ltd., old established Toronto firm in the high-grade women's wear field.

The merchandise in stock, fixtures and other physical assets of Fairweathers have been purchased on a favorable discount basis for cash. Initial investment by the new principals is around $60,000, The Financial Post is informed by Edwin W. Rush, K.C., Toronto lawyer. The deal was negotiated by Mr. Rush, who is to be president of the new company being formed to operate the concern, in capacity of trustee for the purchasing group.

Associated with Mr. Rush and slated to be directors in the new firm are Richard P. Richardson, vice-president and general manager of the existing firm, and Jean Pion, Parisian financier and merchandiser. The European capital is understood to have been drawn from extensive merchandising assets in Switzerland and elsewhere in Europe.

The new company being formed is to be known as Fairweather Ltd., (dropping the "s" off the present name). Acquisition of the share stock of the old company was not involved in the recent deal, and the existing firm is to be wound up concurrently with formation of the new one. Purchase of merchandise and fixtures was made from the National Women's Wear Bureau, credit trade organization of dress manufacturers, which took over control of Fairweathers last fall when the store ran into difficulties.

The store premises in downtown Toronto are to be leased from Robert H. Fairweather, president of the existing company, who owns part of the building; and the Burgess estate, which owns the remainder of the building and all the land on which it stands.

The new enterprise will continue merchandising of high-class women's wear and accessories.

De Havilland Business Off

Plant Virtually Closed Since British Order Completed

Current prospects of The de Havilland Aircraft of Canada Ltd. for favorable results in the fiscal year ending Sept. 30, 1939, are described in informed quarters as "none too bright." Estimates are lacking, however, as to whether earnings will measure up to last year or, if below 1938 level, how extensive the decrease will be.

From reliable sources The Financial Post is advised that de Havilland operated actively and showed good earnings in the first half of the current fiscal year. This was primarily due to completion of the major portion of the order for parts for 200 military training planes originating with the British Air Ministry and passed on from the parent company in England.

Only two small shipments on this order, placed about a year ago, were made in the company year ended Sept. 30, 1938, and bulk of the profit on the now completed order will accrue to this year's operations.

Plant Almost Shut Down

Unfortunately, however, the company's plant near Toronto has been virtually closed down since work on this order was completed, and about 100 men have been laid off. Even reconditioning and servicing work is at low ebb. There is said to be little or no prospect of any orders at this time, either for British or Canadian military machines or for Canadian air transport equipment. The Canadian air transport industry is passing through difficult times because of curtailment of new mining development.

Unless the outlook brightens and new orders are obtained, operations in the last half of the company's current year will likely show a loss and may offset to large degree the profit from the first half of the year. In the year ended Sept. 30, 1938, earnings were equivalent to $11.18 per share of preferred stock, about 10 times earnings in the 1937 year, but the current outlook makes it doubtful that this will be equalled.

Profits in the 1938 year were boosted by completion of an order for 25 Tiger Moth machines for the Canadian Government.

Discussions and negotiations are reported proceeding in regard to suggested reorganization to eliminate arrears of dividends on the preferred stock, on which no payments have been made since 1931. So far, however, little progress has been made toward satisfying the various interested groups.

Industrial Acceptance Earnings Are Lower

MONTREAL. — Volume of business handled by Industrial Acceptance Corp. during the first half of the current year was moderately lower than in the same period of 1938.

Details of results are not available, but net profit will be lower than in the same period of 1938. During the first months of 1938 net profit was equivalent to more than $2 a share on the Class "A" stock.

Tension Lessens in Europe But Crisis Danger Remains

Highlights

What will the C.N.R., Montreal and the rest of Canada gain from the $12 millions Montreal terminal project, and why is it going ahead? Answers to such questions, and factors in the complex railway terminal problem in Montreal, are outlined in a special staff survey.

C. N. Spends $12 Millions—p. 9.

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Differences between the brightening short-term prospects and the uncertain long-term outlook for newsprint securities, are brought out in the last of R. W. Finlayson's articles on the industry.

Newsprint Securities—p. 10.

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Focusing new interest on the Little Long Lac gold mining area, start of operations at Magnet Consolidated's 100-ton mill has added the mine to the ranks of Canadian producers.

Magnet Joins Producers—p. 15.

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Unemployment among men over 40 years old, especially of the executive, professional and artisan type, presents knotty problems. How they are being met with increasing success by privately sponsored efforts in Canada is told in

Finding Jobs—p. 9.

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France Plans Big Purchases From Canada

Munitions and Industrial Products Included in Deal

REVISE TRADE PACT

By HORACE T. HUNTER,
President, The MacLean Publishing Co.

PARIS (by cable). — Important business deals, of interest to Canadian businessmen, are under discussion between the Canadian and French governments, and between French industrialists and various individuals in Canada, I learn here on good authority.

In the first place I am advised that France is endeavoring to arrange in Canada a $50 million credit. The fund would be used for the purchase of a long list of munitions and industrial products.

In the second place, Schneider-Creusot, the vast French armaments concern, and a group of French airplane manufacturers are investigating the suitability of Canada as a site for branch plants.

France, like Great Britain, is worried about the vulnerability of her industrial plants in the event of war. Many of her major industrialists, in particular those engaged in the manufacture of defense equipment, are desirous of seeing a great secondary base of supplies established overseas. Canada, a sister democracy with a highly developed industrial system, is a logical choice.

New Trade Agreement

Thirdly, there is a new trade agreement on the way between the two countries. The basis of the discussions is one that provides for France extending to Canada her minimum tariff schedule on a largely increased number of items in exchange for which Canada would continue to give France the benefit of the intermediate tariff and, no doubt, lower rates than that on certain items.

It is not to be questioned that the trade treaty arrangements between the two countries are due for early revision and that a new agreement could have the effect of greatly increasing trade between the two countries.

Benefits from the new treaty and the dollar credit would be felt directly by Canadian exporters of lumber, electric refrigerators, stoves and raw materials.

Present Trade Treaty

Under the existing trade treaty between Canada and France, Canada obtains the minimum tariff on some 200 items and less generous reductions on some others. The minimum tariff is, for most items, about one quarter the general tariff. In addition, Canada obtained favorable quota arrangements on some items where France controls the quantity of merchandise that may be imported.

Canada in turn grants France the intermediate tariff and rates as low as the British preference on a small list.

Not Until After Election

The Ottawa correspondent of The Financial Post writes:

Trade negotiations are actively under way with France and Italy, but it is not expected that agreements will be reached until after the general election. The Government, it appears, has no desire to unsettle business while the election is in prospect.

The agreement with Italy will be

(Continued on page 2, col. 8)

Odds for Peace or War "About Even" Suggests Minister — Fearing Axis Propaganda to Lull Public, Britain Continues to Prepare

Before sailing for Canada on the Empress of Britain, Mr. Hunter, whose articles in recent weeks have attracted widespread attention throughout Canada for their clear-sighted understanding of the European situation and their encouraging tone, cabled a final brief article to The Financial Post. It appears below.

Mr. Hunter will be home this week end.

By HORACE T. HUNTER
President, The MacLean Publishing Company, Limited

LONDON. (By Cable).—Today the rumors of peace are as thick as the rumors of war were a few weeks ago.

Three weeks ago, in a cable to The Financial Post, I reported the almost unanimous opinion in British ministerial, financial and publishing circles that a major European crisis would come before the end of August. I then expressed the opinion that Herr Adolf Hitler would probably not finally risk the challenge to the united, armed force that faces him.

HORACE T. HUNTER

In subsequent cables I have emphasized the important factors working for a peaceful outcome of the existing tension.

As I leave London, I find the spirit of pessimism regarding the early outlook somewhat modified. But while the factors working for peace are still strong, and becoming stronger every day, the danger of war has not passed.

I have just had a most interesting conversation with a member of the cabinet. I asked him what were the odds in favor of war or peace. He expressed the opinion that the odds were about even.

There probably would be a "crisis" this fall, he admitted, but his hopes for a peaceful settlement had risen considerably.

He emphasized the fact that there was a very real danger of "peace propaganda" being circulated by the Axis powers with the deliberate intent of throwing the allied democracies off their guard and breaking their unanimity of purpose. Such an effort would fit very nicely into Hitler's and Goebbels' obvious effort to create a state of jitters and uncertainty in the minds of the people of Great Britain, France and the overseas countries.

Publisher Says "No War"

Another most revealing conversation I had was with one of the greatest of British publishers, a level-headed man who has never been swept away by the emotional tides of any period of tension or crisis. He was most positive in expressing his opinion that there would be no European war. And he came out bluntly for an alliance between Great Britain and Germany, which he felt would be infinitely preferable to an alliance between Great Britain and the uncertain forces of Communism in Stalin's Soviet Russia.

Definitely the war tension has eased in Great Britain. But there is no letting up in the pressure of preparation for any possible eventuality. Britain has no desire to be caught napping, if a major crisis arises.

The spirit of determination to resist any further changes in the map of Europe by force, and to protect the interests of the British and democratic peoples, persists in official circles and among the great mass of the people.

Press Conferences

This week Sir Thomas Inskip, Secretary of State for the Dominion Affairs, inaugurated a new series of monthly conferences with representatives of the Dominions press. This is entirely an innovation and sets a precedent which later may be extended to other departments. It has not been customary for British ministers to hold regular press conferences.

During the meetings of the Empire Press Union conference, which I attended recently as one of the two delegates from Canada, strong representations were made to the Cabinet that reputable editors and correspondents should be taken more into the confidence of the Cabinet. Particular emphasis was put upon the need for keeping the Dominions press informed of the aims and objectives of Britain's foreign policy, since actions taken in London might be the means of involving the overseas Empire countries in commitments even as great as war.

The Inskip conferences are a result of the representations then made. They indicate the desire of the Cabinet to extend the utmost co-operation to the Dominions at this time, just as the United Kingdom has welcomed the support, goodwill and co-operation of these Dominions.

Later the conferences may be placed upon a weekly basis and take the form established by the excellent precedents of President Franklin D. Roosevelt and Secretary of State Cordell Hull in Washington.

This new development is to be most highly commended and should be the means of giving to the people of Canada and the other Dominions a better understanding of the aims and purposes of British policy.

Urge Canadian Visit

It is suggested here that it would be an equally commendable move if Sir Thomas Inskip could be induced to make a visit to Canada in the near future. No member of the British Cabinet has visited Canada since the European situation reached its present proportions. It is true that Their Majesties, the King and Queen, and Earl Baldwin, former prime minister, have been in Canada in recent months. But the King was precluded by his position from discussing questions of high governmental policy. And Earl Baldwin deliberately refrained from any comment either upon the situation or the British Government's attitude toward it.

Not only have no members of the Cabinet been to Canada but very few men, prominent in British public life and well informed on British policy, have made such a visit. Even Rt. Hon. Anthony Eden, when he went to New York to address the National Association of Manufacturers, was unable to spare an hour for an address anywhere in Canada.

If the British Cabinet would send the Dominions Minister to Canada with authority to give a number of public addresses on the situation today and how Britain is meeting it, and with instructions to circulate among men of influence and substance in Canada, a great deal of goodwill and understanding would be generated.

French Like Canada

I spent my last week-end on this side at Deauville, that beautiful French seaside resort, where the hotels are world-famed for their service and comforts and where the most interesting people gather from different parts of Europe. Most of the guests at the hotels—four out of five, in fact—were French. It was an interesting privilege for a Canadian to be able to talk with them about the European situation. As in Paris, I found the French people tremendously appreciative of their firm alliance with the British people and very warm in their affection for Canada.

Fairbanks-Morse Earnings Lower

Better Results Expected in Second Half of Year

From Our Own Correspondent

MONTREAL.—Business of Canadian Fairbanks-Morse Co. in the first half of the current year was moderately below the same period of last year.

It is as yet too early to make any definite forecast of earnings for the current year, but indications are that the results should not differ materially from 1938. In recent weeks there has been some improvement in business and the company is hopeful that the last six months of the year will show better results than the same period last year. Results last year were better in the first six months than in the last half of the year, but indications are that the reverse will be true this year.

A favorable factor is the prospect of a large wheat crop in western Canada. An increase in purchasing power in western Canada means additional business for Canadian Fairbanks-Morse.

Operating profit of the company in 1938 amounted to $368,941. Net profit amounted to $144,906, equivalent to 94 cents a share on the common stock.

B.C. Electric Railway Refuses Concessions

From Our Own Correspondent

MONTREAL.—British Columbia Electric Railway, subsidiary of British Columbia Power Corp., has rejected the request of the City of Vancouver for concessions in the 7-cent fare agreement between the city and the company.

Hat News FROM EATON'S

LEAF GREEN

Summer's most popular shade in hats presented here in a beautifully finished "featherweight" fur felt Eatonia. It has that something that's called style combined with correct good taste! Get one and give your head a treat.

Eatonia Value Each

4.50

Remember, You Can't Beat Eatonia for Reliability and Value!

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Commodity Prices

For the first time in many weeks advances have occurred in prices of a number of industrial commodities, including rubber, copper, silk, sugar and hides. In most of these factory demand has been well maintained or shown a tendency to improve. Shortages are feared in rubber, silk, and the better grades of hides. Copper moved up partly owing to a stronger market in Europe and also to a better industrial demand in the United States, where consumption has overtaken production.

In the agricultural group, cash wheat at Winnipeg has been strong with best grades firmly held in spite of weakness in future markets owing to the good crop prospects. Top prices for the best grades of cattle have also been firmer.

The advances, however, were not sufficient to bring about any general rise in weekly price indices, most of which showed slight declines.

	Latest week	Previous week	Same week last yr.
Cattle	$7.25	$7.10	$7.50
Hogs	10.00	9.90	13.00
Copper, lb.	.10⅜	.10¼	.09⅞
Cotton, lb.	.0944	.0969	.0892
Rubber, lb.	.1670	.1657	.1580
Sugar, raw, lb.	.0288	.0283	.0282
Silk, lb.	2.70½	2.64½	1.85½
Wheat, Man. (bu.)	.60⅜	.54¾	1.00
Coffee, lb.	.05⅛	.05⅛	.04⅞
Hides	.12	.11½	.11¼
Weekly Indices			
Canada (D.B.S.)	72.8	73.2	79.2
Do., Wood, Gundy	53.6	53.4	57.8
U. S. Labor	75.5	75.6	78.9
Dow Jones (future)	47.69	48.41	49.89
Crumps (Brit.)	70.4	70.6	73.7
Fishers'	78.5	78.7	81.5
Monthly Indices			
Canada (D.B.S.):			
Retail (June)	82.9	83.1	84.0
W'sale (June)	73.3	73.7	80.1
U. S. (May)	76.2	78.1	78.7
Gt. Brit. (Apr.)	97.2	96.6	103.1

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

St. Andrew's College

FOUNDED 1899

An exceptional boarding school for boys

AURORA, ONT.

Healthful Altitude — 857 feet

K. G. B. KETCHUM, B.A., HEADMASTER

DIVIDEND NOTICES

Borden's

COMMON DIVIDEND
No. 118

An interim dividend of thirty cents (30¢) per share has been declared on the outstanding common stock of this Company, payable September 1, 1939, to stockholders of record at the close of business August 15, 1939. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

TRINITY COLLEGE SCHOOL

Separate Senior and Junior Schools

FOUNDED 1865

Tradition and Progress

PORT HOPE, ONTARIO

A BOARDING SCHOOL IN THE COUNTRY FOR BOYS

During the past five years boys from the school have won twenty-two university scholarships.

For full information please write to
PHILIP A. C. KETCHUM, M.A., B.Paed., HEADMASTER

Michaelmas Term begins on September 12th

Telephone Co. Arranges Sale of Refunding Issue

Company Will Make Large Saving in Interest Charges

NO PUBLIC OFFERING

MONTREAL.—Sale of the Bell Telephone Co. refunding issue of $25 millions of 3¼% first mortgage bonds is expected to be completed within a few days.

No public offering of the issue will be made, arrangements having been made for private sale of the issue to a group of Canadian and U. S. financial institutions.

Purpose of the issue is to provide funds for redemption of $30 millions of existing first mortgage series A bonds which are callable at 105 on March 1 next.

The offering price of the new bonds to members of the underwriting syndicate is 102. After deduction of commissions the net proceeds to the company will be $25,365,000.

Including the premium, a total of $31.5 millions will be required to redeem the $30 millions of 5% series A bonds. Over $3 millions is being provided from the treasury of the company and $3 millions is being borrowed from the Bank of Montreal on a 2¾% one-year note which may be converted into 2¾% notes maturing in 1947.

Underwriters Pay in U. S. Funds

A feature of the underwriting contract is that payment is to be made by the underwriters in U. S. dollars. This will eliminate any exchange costs as far as redemption of the series A bonds is concerned. The existing bonds are payable in U. S. or Canadian funds at the option of the holder.

The refunding operation will mean lower fixed charges for Bell Telephone and will result in a reduction of $5 millions in funded debt. It will also eliminate exchange risk and costs on a portion of the company's funded debt as the new bonds are payable in Canadian funds only.

Pays Double Interest

Sale of the issue at this time means that the company will be paying double interest on $25 millions of bonds for a period of seven months. The new bonds are to be dated August 1, 1939, whereas the series A bonds are not callable until March 1, 1940, on 60 days notice.

When the interest saving to be made after March 1 next is taken into account the extra interest cost during the next seven months is not an important matter. Furthermore, it is felt the deal now is wise in view of the current unsettlement in Europe. By selling the refunding issue at this time the company assures itself of a favorable interest rate. Waiting until late in the year involved the risk of war and higher interest rates.

The refunding operation will mean a saving to the company of over $600,000 annually in interest charges. This is equivalent to about 75 cents a share on the company's common stock.

C.G.E. Volume Remains Close To Last Year

But Net Below 1938 — Big Contracts Carry Over

SMALL LINES BEST

Business obtained by Canadian General Electric Co. for the first half of 1939 has been very close to that of the corresponding period a year ago, The Financial Post is told by company sources.

Not all lines have fared alike. Sales of what is termed "apparatus," that is, heavier types of equipment involved in power plants and large industrial installations, have been somewhat under a year ago. Smaller apparatus, such as motors, switches, transformers, has fared better and volume is estimated at just about last year's levels.

The company has benefitted from the gains in residential building activity in recent months, it is said. This uses important quantities of wiring equipment, switches, lighting fixtures and other items, and sales in these lines have been somewhat better than a year ago.

For household appliances, The Financial Post is told that there has been little change in sales volume with perhaps some tendency to show increases. Radios have been moving in good volume, but the price situation is still upset, although not to quite the same extent as at the end of last year. Refrigerators have been selling in rather better volume than last year, while stoves, vacuum cleaners and similar items show little change.

Altogether it is estimated that net profits for 1939 may not reach last year, when $9.49 a share was earned on the common. It is thought, however, that the company will still be able to show net profits that will cover the regular $6 a share dividend without any difficulty.

Large Contract Started

Canadian General Electric has just started work on the largest contract for big electrical apparatus that it has received in some years. This covers the generators and other equipment for the new La Tuque power plant being built by St. Maurice Power Co., jointly owned by Shawinigan Water & Power and Brown Corp. The initial installation on this job is to provide for 162,000 h.p. and the total cost is estimated at $15 millions. This cost figure, of course, covers all construction and not the value of the Canadian General Electric contract.

Shipments on this contract, however, will not begin until some time next year and, although the next Canadian General Electric balance sheet will probably show larger inventories as a result of this work, the profit and loss statement will not reflect any earnings from this source. The benefit will come in 1940.

Searchlight Contract Under Way

Another important contract obtained this year is for approximately $1.9 million for searchlights. This contract was let by tender by the Department of National Defense and the searchlights are to be used in strengthening Canada's coastal defenses. Deliveries on this contract are to start this fall but will not be completed in time to allow for full profits from this source to come into the 1939 accounts.

The fact that the company will thus have substantial volume of large contracts on its books at the end of 1939 will likely be an important factor in preventing this year's profit and loss statement from making a better showing.

Most cost factors, it is understood, have remained at close to last year's levels. Some wage increases were made early in 1938, but there have been no changes of any importance since then. The somewhat smaller volume of business being handled will probably mean that overhead costs per unit of production will go up but not to any serious extent.

British Equipment Competes

The company is confident that further periods of growth will come. This year it has been somewhat disappointed in the actual volume of new industrial building and expansion that has taken place in this country. Some that has been started, such as the new Aluminum Co. plant near Kingston, is not going to mean much new business to Canadian manufacturers. It is said that capital for this project is coming from England and that this has meant the use of English equipment. Reduced duties on some lines of electrical equipment under the latest trade agreements have meant some additional competition from English manufacturers for the Canadian industry.

Another instance where Canadian electrical equipment makers have been somewhat disappointed is in deferring by Steel Co. of Canada of a start on its proposed continous strip mill in Hamilton. This, project, an estimated $15 millions proposition, would likely have meant as much as $2 millions of business for electrical equipment manufacturers and Canadian companies hoped to get a good share.

Mayor Tilting At B.C. Power

Vancouver Official Presses For Tramway Fare Reductions

From Our Own Correspondent

VANCOUVER.—Mayor Lyle Telford, who appears determined to rival his predecessor, Gerry McGeer, in his forays against established business interests, has now taken on the B. C. Power Corp.

A new agreement between the city and B. C. Electric Railway, operating subsidiary of B. C. Power, is pending, and Mayor Telford wants fares reduced when the new schedule is drawn up. President W. G. Murrin of B. C. Power contends that the street railway cannot afford any further concessions and may even ask for increased fares when negotiations start.

When Mayor Telford, at a recent conference, asked whether there would be any objection to the city taking over the street railway, Mr. Murrin promptly called the Mayor's bluff. He said he would be glad to turn the street railway over to the city in accordance with a previous offer to sell the city the company's holdings within the pre-amalgamation city limits (without Point Grey and South Vancouver).

"And I'd pitch in the suburban facilities as well," said Mr. Murrin.

Mayor Cagey

But Mayor Telford isn't likely to accept the offer. He regards the street railway as "the lean wing of a fat bird" and he is not tempted to nibble at it. The city council would be opposed to such a deal, almost to a man.

The mayor, however, is working on a bus project. He thinks that the city might turn over the bus franchise to a responsible, independent company serving the entire city at less cost to the community. He says he is being assisted by six technical experts who are convinced that street cars are an anachronism in modern cities.

The fact that the city council has power to license bus lines only from year to year is likely to kill the Telford plan, according to its critics. No large corporation, it is argued, would make a deal with the city on such a basis, and the private bills committee of the Legislature has repeatedly refused to give the city power to make bus agreements for a longer term.

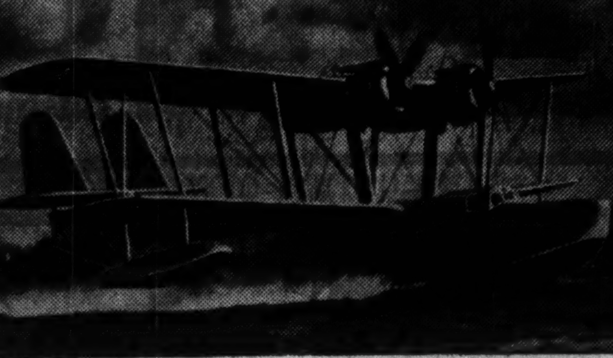
Ogilvie Flour Plans New Montreal Plant

From Our Own Correspondent

MONTREAL. — Ogilvie Flour Mills has awarded contracts for the erection of a new cereal mill and storage elevator in Montreal. Cost is estimated at $330,000.

Contract for construction of the mill building has been awarded to Atlas Construction Co. for $174,000. It will be 140 feet long and 35 feet wide and six stories high and of reinforced concrete construction.

The new storage elevator will have a capacity of 200,000 bushels. There will be 18 bins 90 feet high and 18 feet in diameter.



FLYING BOAT LAUNCHED

Pictured above is the Stranraer flying boat delivered to the Department of National Defense this week by Canadian Vickers Ltd. Seven of these all-metal planes have now been delivered and three others are under construction.

These planes were purchased by the Dominion Government for coastal reconnaissance work. Vickers spokesmen report that stability and seaworthiness of the craft were demonstrated recently when Stranraer 908 was forced to remain throughout the night in heavy seas. No damage was done and the aircraft was flown back to its base the following day. Another Stranraer was forced, through stress of weather, to anchor near the shores of the Bay of Fundy and to remain throughout several changes in tide, resting on its bottom each time the tide receded. The hull suffered no ill effects, according to reports to the company.

The Nation's Business

(Continued from page 1)

Dr. Manion's Railway Policy

WITHOUT waiting for the election gong to clang, Conservative Leader Manion has announced his railway platform. It puts emphasis, very properly, on the things he feels should be done toward a solution of rail ills. Last year, at Ottawa, when Dr. Manion was elected leader of the party, both he and his party laid emphasis (unfortunately) on the things they would not do.

True, the Conservative leader has again reiterated his stand against amalgamation, but the six-point programme gets away from the wearisome repetition of the old "hands off" formula. It recommends:

1. Appointment of a non-political board to enforce co-operative measures between the two railways.
2. Railway workers who lose their jobs through co-operation to be adequately compensated by pensions.
3. Federal-provincial co-operation to place all methods of transportation—road, rail, air, water —on a fair basis as to freight and passenger rates.
4. All bonds or securities of the C.N.R. to be refunded as soon as possible at lower interest rates.
5. A cessation of playing politics with the railways.
6. Building up Canada to the railways rather than tearing down the railways to Canada.

• • •

Policy of Co-operation Not Adequate

THE only point of real significance is Dr. Manion's first proposal, appointment of a non-political board to see that co-operative measures are really carried out. The remainder of the platform is rather platitudinous.

For example, it means nothing to say that all bonds and securities of the C.N.R. should be refunded "as soon as possible at lower interest rates." That is now already being done. Unless Dr. Manion is prepared to recommend some forced or voluntary refunding scheme outside the terms of existing bond contracts, his statement has no meaning.

Similarly legislation is now on the statute books calling for compensation to railway employees affected by co-operative measures. And the new Transport Act extends federal control over other forms of transport to the practical limit. If Dr. Manion has specific ideas as to how federal-provincial co-operation can be furthered in respect of highway traffic regulation it will be interesting to hear them.

• • •

THE recommendation for a non-political board to enforce co-operation is important and constructive. It has been apparent ever since a similar recommendation was made by the Duff Commission in 1932, that this would be at least a starting point toward solution of the railway problem. Yet no practical specific legislative plan has yet been created to implement the recommendation.

One cannot help feeling that Dr. Manion has merely brought himself up to date with the Duff Commission report in making this recommendation. He is still thinking in terms of the railway problem of 1932 rather than of 1939 and of the 1940's.

Today many people in Canada who look carefully and thoughtfully at modern transportation trends and facts are coming to realize that the Canadian railway problem—in the light of its magnitude and in the light of the revolutionary technical changes which are taking place — demands more far-reaching treatment than was envisaged in the Duff recommendations for co-operation, which finally have become the spearhead of Conservative railway policy.

Have Dr. Manion and the Conservative party no other solution for the rail problem of 1939 than the co-operative proposal of 1932?

• • •

Canadian Industry and British Defense

THE Ottawa Journal seems to regard as somewhat presumptuous the suggestion of The Financial Post that Mr. King should invite the British to send a munitions purchasing commission to Canada. The Journal thinks the British are capable of running their own show; that it is impertinent to tell them that they should place munitions business here.

But is not the suggestion of The Financial Post a very pertinent one?

The Financial Post has investigated the relation of Canadian industry to the British rearmament programme in great detail both in London and in Canada and both in official and unofficial circles.

It has learned a number of things including these facts:

1. Britain would like to place substantial orders with Canadian firms.

2. Britain is anxious to provide a secondary base for a portion of her munition needs in a zone freer from the possibility of attack than the industrialized areas of England.

3. One of the reasons Britain has placed so few orders in Canada is the non-co-operative attitude of the Canadian Government.

• • •

THESE things being true, The Financial Post made the proposal it did and it commented:

"An official invitation by Mr. King to Great Britain to send a munitions mission to Canada would do more than anything else to clear the air and put Canada's policy beyond the boundaries of uncertainty."

Of course, Britain would not have to accept the invitation. But we have reason—good reason—to believe that such an invitation would be welcomed.

Privy Council Terminates Lovibond Railway Action

From Our Own Correspondent

MONTREAL.—Advices from the London office of Canadian National Railways indicate termination of the Lovibond legal action questioning the validity of the legislation under which the Canadian Government acquired all the stock of the Grand Trunk Railway Co. The message from the C.N.R.'s London office states leave to appeal has been refused by the Judicial Committee of the Privy Council.

Proceedings in this case have been in the courts for some years and were initiated by G. P. Lovibond concerning the Grand Trunk Acquisition Act, by which the value of certain Grand Trunk junior securities was left to be determined by arbitration. On behalf of holders of the junior securities, Mr. Lovibond asked for a declaration that they were still owners of the securities, or, in the alternative, damages for loss of stock.

It will be recalled that a majority decision of the board of arbitration held that the Grand Trunk junior securities were valueless as there appeared to be no prospect of a dividend.

The original action by Lovibond was started in 1931. The Supreme Court of Ontario held that the plaintiff had not the right to maintain the action in the Ontario courts. The Ontario Appeal Court upheld this decision. A Privy Council decision, however, gave Lovibond the right to sue in Ontario courts.

The case was reopened in Ontario courts early in 1937, but the judgment of the court was against Mr. Lovibond who then carried it to the Privy Council, asking for leave to appeal the original judgment. This appeal has now been refused.

Deer Park Manor Pays June, 1937, Interest

Deer Park Manor Ltd., Toronto apartment property, is paying the interest coupons that became due June 1, 1937, on its 7% first mortgage bonds on Aug. 5, 1939. It is stated that the company's taxes for the current year are paid and all operating accounts met when due.

CAPITAL REDUCED

Seiberling Rubber Co. of Canada has received supplementary letters patent authorizing the reduction in its paid up capital from $626,300 to $62,630, a reduction of $553,670. This reduction was effected by cancelling capital which is unrepresented by available assets to the extent of $18 a share on each of the 31,315 common shares issued and outstanding.

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C.M.A. Group Going Abroad

Delegation to Check Possibilities of Arms Production Here

Final arrangements were completed this week for visit to England of a delegation of the Canadian Manufacturers' Association, to explore at first hand the possibilities of developing Canadian sources of war equipment and munitions. A small group, including specially qualified manufacturers, Association officials, and two technical advisers, is sailing July 29 from Quebec on the Empress of Britain.

Dispatch of the mission arises from the recent convention of the Association and a subsequent visit of a C.M.A. committee to Prime Minister Mackenzie King. The Association has for some time been concerned by continued delay in launching of a programme to develop in Canada potential reserve sources of munitions and equipment, upon which Britain could fall back in time of war.

To make a start toward this objective, and to meet Canada's own immediate needs for defense equipment, manufacturers have felt that test and development orders should be placed by British authorities jointly with supplementary Canadian orders. However, the delegation now proceeding overseas is not primarily concerned, it is understood, with obtaining actual orders. It will seek rather to determine the needs and interests of the British Government and the capacity of Canadian facilities to meet these needs.

Want Long-term Plan

Chief aim of the Canadian mission, it is believed, will be to lay the ground work for a long-term policy and programme, extending over at least two and possibly five or ten years.

Hopes are held in Canadian circles that the present "voyage of discovery" from Canada will be reciprocated in the fall, either by dispatch of an official British Government mission to check Canadian arms-making resources, or by a delegation with a similar purpose from the Federation of British Industries. Advices from London indicate that prospects are good for a visit to Canada in September or October by an F.B.I. delegation, at least, with a view both to surveying Canadian production facilities and co-ordinating them with British capacity.

Roster of Party

The C. M. A. party booked to sail this week includes:

John T. Stirrett, assistant general manager, Canadian Manufacturers' Association.
John M. Evans and Philip S. Gregory, Shawinigan Water & Power Co.
A. F. Gill, National Research Council.
E. Holt Gurney, Gurney Foundry Co.
Maj.-Gen. A. G. McNaughton, president, National Research Council.
S. M. Finlayson, Canadian Marconi Co.
O. W. Ellis, Ontario Research Foundation.
Guy M. Bevan, Massey-Harris Co.
H. G. Bertram, John Bertram & Sons Co.
John G. Morrow, Steel Co. of Canada, Hamilton.
John E. Goodison, Goodison Thresher Co., Sarnia.
Hugh Dalton, secretary, British Columbia branch, C. M. A.
E. Winslow Spragge, Canadian Ingersoll-Rand Co.

Public Utility Earnings

Jamaica Public Service

May:	1939 $	1938 $
Oper. revenues	80,353	75,235
Gross after retire.	24,360	*19,945
Net income	15,489	*11,571
12 Months End. May 31:		
Oper. revenues	976,970	901,807
Gross after retire.	*303,107	*284,717
Net income	*202,492	*180,265

*Adjusted for increased Jamaican income tax.

Mexican Light and Power

May:	1939 $	1938 $	Decrease $
Gross earn.	597,953	667,610	69,657
Oper. exp.	526,470	507,670	*18,800
Net earn.	71,483	159,940	88,457
Five Months:			
Gross earn.	3,028,990	3,680,265	651,275
Net earn.	482,760	1,051,032	568,272
*Increase.			
Int. & amort., etc.		100,814	104,451
Net income		[illegible]	[illegible]

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Gunnar Gold Extends Shaft

Will Sink 500 ft. From Present 1,250 ft. Level

Development results at Gunnar Gold Mines have been very encouraging at depth, The Financial Post is informed, and the company has ordered a new headframe and hoist capable of operating to a depth of 3,000 ft. Present plans call for extending the shaft for 500 ft. from its present bottom at 1,250 ft. during the summer.

Drifting at the lower levels has opened up some fine lengths of ore, but complete details on results obtained are not available. In May, the company drifted 118 ft. on one vein with the last 60 ft. of this length returning the high value of 11.64 oz. to the ton over narrow widths. In June 137 ft. of further drifting was completed mostly in high-grade ore, and diamond drilling indicated ore 100 ft. ahead.

A large amount of drifting in ore was completed on the 1,000-ft. level in June. No. 6 vein was opened up for 127 ft. while No. 3 vein was opened up for 157 ft. and the No. 3 east vein gave a length of 56 ft. During the same month, No. 3 vein was opened up for 149 ft. on the level below.

Recovery Higher

Evidence of the large amount of development being done is given by milling statistics. In June, 22% of the ore for the mill came from development while broken ore reserves were increased by 1,045 tons during the month. In spite of the large tonnage of ore from development, recovery increased from $12.84 a ton in May to $13.11 in June. Tailings were only 27 cents a ton the latter month.

While the mill has a rated capacity of 150 tons daily, it is pointed out that capacity could be increased to 250 tons daily at a cost of only $30,000 if ore conditions should warrant.

The company remains in a very strong financial position and The Financial Post understands working capital amounted to $377,473 at the end of June, after paying the May dividend. If investments were taken at market value, which was greater than cost, this would be increased to over $400,000, it is stated.

Britain Buys Grain to Store

From Our Own Correspondent

OTTAWA—It is learned in reliable quarters that the British Government is steadily buying Canadian wheat to be stored in Canada as part of Britain's food reserve.

The British Government, it is believed, intends to accumulate 50 million bushels of Canadian wheat, but the extent of the purchases to date is not known.

Hitherto, Britain has been laying in stores of Argentine and Australian wheat. This wheat has been brought to the British Isles for storage and the reports available here are to the effect that existing storage space in Britain is now full. Purchases in Canada will be stored here until additional space is built in Britain. Then the Canadian reserves will be moved across the Atlantic.

Reason for Delay

The reason for the delay in the purchase of Canadian wheat is given as follows:

> The British Government desired to lay in as great a supply of Argentine and Australian wheat as possible, realizing that, as in the Great War, it would be impossible to draw wheat from either country once war broke out. In war conditions, Canada is the safest and surest source of supply and Britain has bought from the southern countries in the knowledge that the Canadian surplus was in store, available to her if and when desired.

REORGANIZATION CONFIRMED

Supplementary letters patent have been issued to Eastern Steel Products confirming the reorganization approved by shareholders on April 28. In accordance with this reorganization, the existing 7% preferred stock has been redeemed at $110 plus accrued dividends, and a new issue of 5% preferred created and sold.

Agnew-Surpass Earnings Hold

From Our Own Correspondent

MONTREAL. — The financial statement of Agnew-Surpass Shoe Stores for the year ended May 31, last, which is expected to appear shortly, will show earnings at about the same level as in the previous year. Earnings in the year ended May 31, 1938, were equivalent to $1.13 a share on the common stock.

On Sept. 1 the company pays its regular semi-annual dividend of 30 cents per share, plus a bonus of 20 cents a share on its common stock. This brings total dividend payments in 1939 to 80 cents a share, the same as was paid in the previous two years.

Establishment of a shoe-manufacturing plant in Canada by the Bata interests is not expected to adversely affect operations of Agnew-Surpass.

France Plans Big Purchases

(Continued from page 1)

the hardest to obtain and the negotiations which have been going on for some time do not promise either a quick or a successful issue. The Government desires to reopen the Italian market for Canadian cod but is not prepared to adopt barter trade methods to attain this objective.

The trade negotiations with France follow on naturally from the agreements already reached with Great Britain and the United States. Although little has been said about it, Hon. Charles A. Dunning has adopted the U. S. policy of declining to negotiate with a country except on the commodities of which it is Canada's chief source of supply.

Success is Seen

Thus, in dealing with Britain and the U. S., Canada declined to consider changes in tariff rates on items of which the bulk of our imports come from France. But when an agreement is entered into with France, both the others will obtain, under the most favored nation clause, the full benefit of any concessions made. These items include fine silks and a wide variety of textiles, as well as wines and several varieties of cheese.

There is no doubt that the negotiations with France will succeed, but there will be no announcement, according to present plans, until after the election is over. In the event of a change of government, the proposed agreement, naturally, would have to meet with the approval of the incoming ministry.

Reports reaching Ottawa are to the effect that the French Government is setting up a credit of $50,000,000 to cover purchases of war and other materials in this country; that French airplane companies have sent representatives here to seek out a suitable site for a large factory wherein to make warplanes; and that the French Government already has placed orders for 140 bombers with a group of Canadian manufacturers.

Ottawa is unable to confirm any of these reports, although it is learned that there is a substantial basis for the report of the order for 140 bombers.

The other reports cannot yet be confirmed at Ottawa. Officials profess ignorance either of a big French plant or of a French credit.

It is known, however, that the French Government is interested in placing war orders in Canada, but it is believed in Ottawa that no final decision, with respect to the order for bombers, has yet been made.

English Electric Agent

English Electric Co., of Canada, announces that Fleck Bros., Ltd., have been appointed British Columbia representatives for the English Electric Products. The new representatives will provide complete facilities for pricing and data on motors, starters, generators, transformers, switch-gear, oil engines, capacitors, electric welders, traction equipment and steam turbines.

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London Calling — By Atticus

Duke of Kent Vies With Ambassador Kennedy and Dr. Nicholas Murray Butler for Honors at London Dinner

LONDON.—It is the duty of an observer of men and events to seek first for the merits and then come reluctantly to the failings.

And frankly there was much merit in the performances of the Duke of Kent, Ambassador Joseph Kennedy and Dr. Nicholas Murray Butler at the recent Independence Day Dinner here.

The position of the Duke of Kent has taken on an entirely new phase since he was appointed to be Governor-General of Australia. Instead of merely performing the incessant social duties that are inevitable for a man in his position, he now becomes an important factor in the official life of the Commonwealth. While he will not interfere in the political struggles of Australia he will be in constant touch with his Ministers and cannot help but influence them in their point of view toward Imperial and world affairs.

DUKE OF KENT

What is more he will speak frequently in public, when he will find his Australian audiences kindly but appraising. Therefore it is heartening to note that the Duke of Kent is improving rapidly as a speaker. For one thing, at the Independence Day Dinner he thrust the microphone away from him, which is the beginning of wisdom. Nothing ever invented has done so much to repress individuality. The texture of the voice and the very essence of personality are lost in the mechanical amplification of sound.

An even better sign was the adaptation of his speech to the occasion. A newspaper tried to secure a copy of the Duke's speech after the dinner but was told that the speech had been altered so much during the dinner that the manuscript was useless. It was worthy of a public man of far greater experience when he picked up the American Ambassador's phrase about Anglo-American friendship being taken for granted and said:

"It proves beyond a shadow of doubt that the ideal of peace can be achieved. It should enable every country to continue to work for peace, in the full knowledge that for one country to live in harmony with another is an established possibility. When I go to Australia in the autumn as Governor-General I shall most certainly bear that in mind. I hope I shall not have to put it in the forefront of all my thoughts and actions, because I agree with Mr. Kennedy that it should be a permanent background, a background so taken for granted that it is almost forgotten."

* * *

Two Americans

Mr. Kennedy does not orate, he talks to his hearers. Next to the French, Americans have the greatest gift for creating thundering phrases that go crashing down the slopes of history like an escaped boulder. Abraham Lincoln was practically unable to say anything that was not significant and President Roosevelt pitches his oratory on an Olympian level with occasional human concessions.

Mr. Kennedy does not follow these masters. Unlike a certain British Cabinet Minister who always addresses a single person as if he is a public meeting, the American Ambassador addresses a public meeting as if it is one person. He is friendly, human, shrewd, idealistic and amusing. He raised both enthusiasm and laughter when, referring to America's reception of the King and Queen, he said:

MR. KENNEDY

"Who would have thought we'd see the day when America would change the old cry to 'Don't cheer until you see the whites of their eyes.' . . . One thing I couldn't make out was why they called out the Army, the Navy and the Marines, and the entire police force to guard the long suffering couple. Maybe they thought the King and Queen were fed up and might make a dash for liberty."

Ambassador Kennedy uses exactly the same style on the public platform as in the dressing room of the golf club where he and I frequently exchange the time of the day and ask each other "What of the night?" As a result he is in enormous demand as a speaker.

* * *

It would be unseemly to end these notes on the Independence Day Dinner without mentioning that Dr. Nicholas Murray Butler also spoke. This sturdy oak of a man is now 77 years of age but like so many men who spend their lives in scholastic research he shows little of the ravages of time. Vigorous, healthy out-of-door life nearly always ages a man prematurely but philosophers, scientists and professors live on unperturbed.

The famous President of Columbia University was once put forward as a candidate for the Presidency of the U.S.A. by the New York delegation, and received 69½ votes. Dr. Butler would have made a grand President for he is first, last and always a world citizen, conscious of the common destiny of humanity. Since he was a boy he has come to this country once a year save in the war when the indivisibility of the human race was temporarily shattered.

* * *

Interlude

One final word and I shall declare my own independence of the American topic.

At the stirring National Parade Service in Hyde Park recently, the massed bands played the American national anthem. No one, as far as I could see, stood up in the stands that had been erected. Nothing could be more alien to the feeling of this country than to fail in respect to our transatlantic kinsmen but the truth is that the anthem is not familiar over here. I know it very well because the opening bars occur so often in "Madame Butterfly." As a race we do not pick up a tune very readily and there are still some of our most distinguished citizens who do not stand because they recognize "God Save the King," but know it is "God Save the King" because everyone else stands up.

* * *

Back to Germany

If we were sufficiently advanced to possess a Gestapo in this country, Teutonic character of some entries in my diary might rouse the worst suspicions in the official breast. Over the course of a few days I find:

Baron von Falkenhein—dinner my house.

Count Puckler—lunch at House of Commons.

Freiherr von Rheinbaden—lunch at Garrick Club.

Dr. FitzRandolph — farewell luncheon at Baron von Hahn's house.

I had never met Falkenhein before, although his father, the late General, was much in our thoughts in the early days of the war. The family lost most of their estates to Poland and the Baron is now the head of a motorcycle industry. He is good looking, well dressed, forceful and an admirer of Herr Hitler. We talked late into the night and he went home, still an admirer of Herr Hitler.

Count Puckler is the young man I mentioned recently in these notes as the author of that excellent book "How Strong is England?" Since I last saw him he had been to Palestine and his description of the Coldstream Guards was not only generous but illuminating.

"The Coldstreams are fine troops," he said, "but the officers are so bored they have taken to reading books." Said with Puckler's agreeable melancholy of style it sounded funner than I can make it in print. Then followed a description of a trip through Jerusalem where the Cockney driver of the lorry volunteered to act as lecturer. One of the driver's best efforts was: "That there statute is of an old Jewish General who died before he got there." Puckler thinks he meant Moses. Incidentally, Count Puckler is an admirer of Herr Hitler.

* * *

Streseman Echo

Freiherr von Rheinbaden has had an extraordinary career. He started off by being A.D.C. to Admiral von Tirpitz but not long before the war transferred to the diplomatic service. It was his task at the German Embassy in Brussels to decipher the declaration of war on Belgium. From there he went to Bucharest and took part in the frenzied wooing of Roumania that ended only with its entry into the war on the side of the Allies. After the war, to use his own words, he "decided to become something important, so I got myself elected as a member of the Reichstag."

He was in fact Secretary of State for Foreign Affairs in the Streseman administration, a post which corresponds to our Under-Secretary for Foreign Affairs over here. In this capacity he went many times to Geneva where his good humor and gusto shocked and delighted the various delegates according to their points of view. Now he is writing a book to be called "Unsettled Europe." and is leaving the last chapter open as long as possible so as to bring it up to date. Needless to say, we advised him to leave lots of space for the last chapter.

To look at von Rheinbaden with his sandy hair and humorous face (he is rather like a robust edition of the ex-Crown Prince of Germany) one would hardly suspect the serious politician. His English is picturesque and lucid, his voice sonorous, his gestures broad. If you get past his guard in an argument he acknowledges it with an appreciative roar of laughter. If on the other hand, he scores on his own account he acknowledges that in the same way. He has friends in every country and no wonder. That prodigious vitality numbs the critical faculty in those whom he meets. This ex-sailor, ex-diplomat, ex-member of the Reichstag and ex-Secretary of State is an admirer of Herr Hitler. He told me so.

* * *

Auf Wiedersehn

The farewell luncheon to Dr. FitzRandolph of the German Embassy was not without a pensive melancholy. He came here at the beginning of the Hitler regime and has seen the whole story unfold itself from these shores. Now he has been recalled to Berlin. While that has not the same sinister sound as "recalled to Moscow," I do not imagine that FitzRandolph himself knows what his next appointment will be.

I hope that he will be given a position of influence, for he understands the character of the British nation better than some of his seniors in the German Foreign Office. At any rate, rather like a scene in "The Student Prince," we toasted success to each other and friendship between our two nations. We also agreed that if either was captured as a prisoner of war we would look in and have a friendly chat. What a silly, savage business the whole thing is!

And because the omission might do him harm—and not in any attempt at humor—I must put down in words that Dr. FitzRandolph is a devoted follower and admirer of Herr Hitler. What a man the Fuehrer must be—or what a system!

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Textile Firms' Activity Improved During June

From Our Own Correspondent

MONTREAL.—Activity in the cotton textile industry in Canada recorded a substantial improvement in June, in comparison with both the previous month and the same month last year.

The index of raw cotton consumption, which is one of the best indications of the level of operations, moved up to 124.4 in June, the highest point since March, 1938. This compares with 107.9 in the previous month and 104.3 in the same month last year. Raw cotton consumption amounted to 21,299 bales as against 18,057 bales in June, 1938.

Newfoundland Expands Reconstruction Policy

Budget Speech Indicates Adoption of Gorvin Proposals

COST INCREASES

Immediate implementation of some of the proposals made by Hon. J. H. Gorvin, Newfoundland's new Commissioner of Natural Resources, is indicated in the budget speech of Hon. J. H. Penson, Commissioner of Finance.

This development is not unexpected. Mr. Gorvin's recent appointment to succeed Hon. R. B. Ewbank as a member of the Commission of Government was an indication that his recommendations in regard to a long range reconstruction policy for the Island have proved acceptable to the Dominions Office of the British Government.

Last year Mr. Gorvin spent considerable time in Newfoundland as special economic adviser to the Commission of Government. In this capacity he visited many sections of the Island and made a special report on land settlement and reconstruction policy.

Some of his recommendations in regard to land settlement schemes have already been put into effect with beneficial results. Maintenance of settlers in the five existing schemes is now on a cash basis. In no one of them does assistance exceed the equivalent of able-bodied relief. The Lourdes settlement is now self-supporting.

Placentia Bay Scheme

One of the major recommendations made by Mr. Gorvin was a scheme for rehabilitation of unemployed fishermen, with the suggestion that it should be limited to Placentia Bay area at first. The population of this area is largely engaged in the fishing industry and has experienced hard times for a number of years.

Provision is made in the budget estimates for an expenditure of $315,000 for this purpose in the 1939-40 fiscal year. As suggested, a regional development corporation is to be set up, but work this year will be largely preparatory, as the fishing season has already begun. More fishing vessels have to be constructed and various works of improvement, the construction of depots, road work and land improvement will be commenced this year. At the outset, at least, the plan will apply to only three limited sections of the Placentia Bay area. At an early date the present form of able-bodied relief is to be changed over to cash relief in the whole Placentia region.

Present plans for land settlement, which is closely connected with rehabilitation of the fishermen, have in mind three types of farms, according to Mr. Penson. There are five-acre farms, larger holdings of 25 to 50 acres and the extension of existing farms. The first is designed for the family, the head of which is employed to some extent in fishing and logging. The second will occupy the full time of the settler, who will also be encouraged to engage cooperatively in rural industries. In his report to Commission last year, Mr. Gorvin gave locations for small farms and holdings for 1,000 families.

Roads to be Extended

Mr. Gorvin pointed out that one of the weaknesses of existing land settlement schemes was the lack of adequate roads within the settlements and to market outlets. This situation is to be remedied. The 1939-40 budget contains a vote of $250,000 for construction of new agricultural roads. Survey work has already commenced in the Placentia Bay and West Coast areas.

Land clearing showed a healthy growth last year. A total of 1,135 acres was cleared, which is an increase of 35% over the previous year. Applications received by the Government in connection with its land clearing bonus indicate that 1,500 acres will be cleared this year.

A total of $1,125,000 was spent on roads and bridges in 1938-39. Sixty-six miles of road were constructed, reconstructed or widened, and 44 concrete bridges and culverts were built. Cost of the road programme this year is estimated at $1,616,000. It is proposed to construct 55 miles of new road and to reconstruct or widen 30 miles of existing roads.

Cost of Fishery Guarantee

Cost of the 1938 guarantee of minimum prices to fishermen is estimated by Mr. Penson at $432,000. Of this amount, only about $100,000 was actually expended in the past financial year, the balance being carried over to the present year. Cost of the salt subsidy was $33,000.

Provision is made in the 1939-40 budget for the financing of the 1939 guarantee to the present extent of $650,000 and for payment of the outstanding liability under the 1938 guarantee.

Of interest to the fishing industry is provision of $220,000 for the cost of proposals for assistance toward the manufacture of herring meal and oil off the coasts of Labrador, and Newfoundland. Provision is again made for the erection of a fresh fish plant on the south coast under an agreement which is still being negotiated with General Seafoods Corp.

To Assist New Industries

A new departure, also in keeping with proposals made by Mr. Gorvin, is the provision of $200,000 for assistance in financing new industries. A committee is to be set up consisting of government representatives and non-official members to consider proposals put forward for industrial developments. The function of the committee will not be to initiate new projects, but to study those put forward and make recommendations to the Government.

Education facilities are to be expanded farther. Not only has additional provision been made for grants to local school boards and for increases in salaries of teachers, but $100,000 is provided for the erection and equipment of schools. It is hoped that 45 new schools will be built this year.

Operating loss of the Newfoundland Railway in the year ended June 30 is estimated by Finance Commissioner Penson at $250,000, compared with $45,000 in 1937-38. The total amount paid by the Commission of Government in 1938-39 to cover capital and current expenditure of the Newfoundland Railway was $474,000. This includes only $100,000 of the 1938-39 operating loss.

A change in the fiscal year of the Newfoundland Government is now under consideration. Subject to the concurrence of the authorities in the United Kingdom the fiscal year is likely to be changed so as to end April 30.

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Can. Vickers Issues Stock

Payment Made for Shares Subscribed For In 1930

From Our Own Correspondent

MONTREAL.—Canadian Vickers has received $135,000 in part payment for preferred and common shares underwritten by directors in 1930. As a result, the company has issued an additional 1,500 7% cumulative preferred shares and 1,500 common shares.

Since 1930, Canadian Vickers has carried as a current asset, $270,000 due from subscribers for capital stock. This item arose from an agreement among the directors of the company in 1930, who guaranteed a bank loan and subscribed for 3,000 units of capital stock at $90 per unit, each unit comprising one share of common stock and one share of preferred. The bank loan was subsequently repaid as the company did not need the funds and the subscribers did not take up the stock. The shares now being issued are part of this subscription.

More Payments To Come

The subscriptions which have been paid up are those of V. M. Drury and the Timmins and Raymond interests. The James Richardson estate is expected to pay its subscription in the near future. This will mean an additional $45,000 for the treasury of the company and will leave only $90,000 unpaid.

Payment of part of this subscription is an important development for Canadian Vickers. In the annual report of the company, J. E. Labelle, president, indicated that additional funds were required if the company was to maintain its competitive position, increase its earning capacity and extend its aircraft manufacturing facilities.

Payment of the entire amount owing for stock subscriptions will not preclude the necessity of capital reorganization and the necessity of obtaining additional working capital.

Hull, Que., council has approved borrowing $245,000 for works projects, subject to the co-operation of the Quebec Government.

Can. Car Expands Aircraft Business

New Engine Designed in Canada Passes Official Tests

From Our Own Correspondent

MONTREAL.—Canadian Car and Foundry Co. has secured exclusive British Empire manufacturing and selling rights for the Barkley-Grow transport plane, a product of the Barkley-Grow Aircraft Corp., of Detroit.

At the present time Canadian Car and Foundry is exercising only selling rights. Later it may manufacture the plane in Canada.

Canadian Car also reports that its "Maple Leaf" aircraft engine is now available to the domestic and foreign markets. This engine was developed by Canadian Car and is the first aircraft engine to be designed in Canada. The engine has passed official government tests. It is 200 h.p. radial, seven cylinder air cooled type, suitable for training and private airplane services.

Canadian Celanese Ltd. Develops New Process

From Our Own Correspondent

MONTREAL.—Canadian Celanese Ltd. is making available to textile concerns which print its celanese fabrics a new discharge method of printing which has been successfully developed for acetate yarns. Developed by Canadian Celanese and covered by patents, it will be made available to users of the company's fabrics and yarns.

The new process will open up a new field for celanese fabrics, especially in street-wear garments. Light colored prints on dark grounds are preferred for this class of garment.

Alexander Bldg. Corp. Shareholders to Meet

From Our Own Correspondent

MONTREAL. — Shareholders of Alexander Building Corp. at a meeting this week are being asked to approve the use of amounts set aside for depreciation for the purchase of bonds in the open market at discount.

Directors also suggest they be authorized to continue this practice, provided the amount so utilized does not exceed the provision for depreciation. Bonds so purchased are to be cancelled.

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"We experience a real thrill in helping people fulfill this basic human desire for financial security. Our clients are always grateful for help in solving in advance the financial problems caused by death, disability or old age.

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New Books . . . . .

Salvaged from the League

SOWING JUSTICE. By Stephen Lawford. Published by S. J. Reginald Saunders, Toronto. Price $1.50.

Little is left of the League of Nations but its technical services and the associated International Labor Office. By common consent the most important thing that the League idea has given the world is the I.L.O. Perhaps fortunate in being separated from the League, fortunate too in having had a man like Harold Butler at its head during its formative years, it has survived the collapse of collective security and grown in stature with the years.

The I.L.O. has done much to raise standards of labor relations throughout the world; to protect women and children forced to work for their living; to modify the ruthless competition between low-wage countries and high-wage countries; codify industrial ideals.

In this volume Mr. Lawford, tells of the history of the I.L.O., its accomplishments and its future. Wisely he sees that the close collaboration of the United States (which is now a full member) has been a great factor in its success. He sees also that the I.L.O. will always be hampered in its work until the dictator countries again return to its councils.

A Critique of Schacht

SCHACHT, HITLER'S MAGICIAN. By Norbert Muhlen. Published by Longmans, Green & Co., Toronto. Price $3.50.

Norbert Muhlen, well known in Europe as a biographer, holds Dr. Hjalmar Schacht in no high esteem. He obviously has enjoyed writing this "debunking" biography of Adolf Hitler's former money magician. He calls his book, in a subtitle, "The Life and Loans of Dr. Hjalmar Schacht" but it might as appropriately be called "The Changing Cloaks of a Political Chameleon." For Herr Muhlen describes a career which has seen its hero pass through such contrasting stages as reporter on a scurrilous newspaper, free trade propagandist, private banker, "savior of the currency," member of a leftist party, Social Democrat Reichsbank president and Nazi financial chief. No matter who has been "up" in Germany, Schacht has always been with them. No matter who was in eclipse, Schacht had deserted them before the downfall.

Since Herr Muhlen wrote this biography in the original German, Dr. Schacht has been "dismissed" from his post as president of the Reichsbank. That he contrived his own downfall is hardly to be doubted. And that he dropped out when he did because he suspected Hitlerism was due to topple soon may prove to be the verdict of history.

There is an introduction by Johannes Steel, leftist refugee from Germany, now a radio newscaster in the United States. The biography gives a full account of Germany's post-war financial jugglery and Dr. Schacht's connection with it. But it must be read as the work of a most unfriendly critic; one who is more inclined to accept Konrad Heiden's judgment of them as "one of the annihilators of money," better than Paul Einzig's appraisal of Schacht as "The cleverest financier of the twentieth century."

International Bookkeeping

THE CANADIAN BALANCE OF INTERNATIONAL PAYMENTS. By Dominion Bureau of Statistics, Ottawa. Published by King's Printer, Ottawa. Price $1.

This 251-page statistical study is the most comprehensive work of its type yet attempted in Canada. It offers a wealth of material previously provided largely through admittedly unsatisfactory estimates. Not only does the book give valuable data on invisible items entering into Canada's international balance of payments, as well as visible trade, but tables are included to show geographical distribution of transactions.

Estimates are also provided for Canadian investments in other countries and for British and foreign investments in this country.

Statistical tables of receipts and payments on international account for years 1926 to 1937, inclusive, are appended to the volume. Much of the factual data replace estimates previously made by the Bureau of Statistics and with effect given to great advances in compiling information, the work is more accurate and more complete than its predecessors. The editor is Herbert Marshall.

Toward Better Teaching

EDUCATIONAL PROBLEMS IN CANADIAN-AMERICAN RELATIONS. Published by University of Maine Press, Orono, Maine.

In June, 1938, a number of educationalists from the United States and Canada met at the University of Maine under the auspices of the Carnegie Endowment to discuss common problems. This is a report of the addresses and discussions at the conference.

Keynote was sounded by a New Hampshire school superintendent who remarked, "I wish we could submit our textbooks to be read by the people of the countries that they deal with." Certainly the conference was a not unsuccessful effort to find out what could be done about making educational methods in these two countries factors in creating understanding and goodwill rather than distrust and misapprehension.

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It means that you can buy finer furniture at lower prices. Not only can you save substantially on the furniture you need, but also help keep Canadian furniture craftsmen in jobs.

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SIMPSON'S FURNITURE FLOOR — THE FIFTH

Simpson's

Investment Trends

Market Action Supports Up Signal of Last Week

Activity Lessens But General Strength Seems Likely to Continue so Long as International Politics Quiet—Markets Stir Confidence

While stock markets have failed to continue strong upward movement that featured last week's performance, they have yet given no reason to doubt the strength of the general tendency toward higher prices.

As a matter of fact the averages in New York have been able to move slightly above the levels reached in the first move up, from the rut of the past two months. At 144.71 on July 22, the Dow-Jones industrial average was almost a point higher than on July 18, when the decisive signal was given, according to the Dow theory, that the trend was now upward.

The Montreal Stock Exchange's industrial index, when it closed at 74.4 on July 22, penetrated to a new high for the recovery from the April 11 low of 66.5.

The market will not continue up without periods of weakness and reaction. These reactions, however, are less likely, and will probably be less severe, if the move toward higher prices proves to be of the steady rather than the sharp and spectacular type. The latter kind of move seems to attract more attention to its own pyrotechnics and to bring about a public psychology that blinds investors to the real values behind the stocks they are purchasing. The inevitable result is an over-reaching which brings its own remedy—usually a sharp drop.

* * *

But so long as stocks do not appear to be getting too far ahead of probable course of earnings, which is the final standard on which to judge the soundness of values, there can be little reason to fear a serious reaction.

It is still true, of course, that Europe and the Orient could upset calculations. While the general tenor of reports from Europe indicates a lessening of the tension of the past year, it is quite within the bounds of possibility that another crisis will have to be suffered before winter.

* * *

Business in Canada

It is remarkable how quickly signs of strength in the stock markets can bring back greater confidence in the future. This already seems evident even with the short and unspectacular move that we have noted in the past two weeks.

And there is evidence in the Canadian business picture that steady improvement is taking place. For example, The Financial Post Business Index for June is 118.9, marking the fourth consecutive month to show improvement and comparing with 110.9 a year ago. Not all business indicators are making gains but the majority are.

The upturn did not become noticeable until toward the end of the first quarter and has not yet offset the decline for the early months in some instances. But a study of the business indicators found elsewhere in The Financial Post will quickly reveal where the strong and the weak spots are.

* * *

Comparing Groups

Best available material to study the behavior of different groups of stocks on the Canadian markets are the indices prepared by the Dominion Bureau of Statistics. These indices generally hit the low for the last war scare on April 11. Then followed a recovery to June 10, a reaction which extended to June 30 and the latest upturn which reached its high for figures available to date on July 19.

A study of these figures shows that the following industrial groups have exceeded the initial recovery that terminated in June: Machinery and equipment; oils; textiles and clothing; foods and allied products; transportation; golds and base metals. Some of these, notably golds, base metals, oils and transportation, have made only nominal moves above the June 10 highs.

	April 11	June 10	June 30	July 19
Mach. & equip.	104.8	115.2	110.1	119.5
Pulp & paper	10.4	13.7	11.0	12.2
Milling	70.1	79.0	72.3	76.7
Oils	155.2	157.3	146.5	157.9
Textiles & cloth'g	52.8	56.2	56.1	59.8
Foods & allied products	163.2	180.7	177.5	182.8
Beverages	112.1	127.3	119.8	125.6
Bldg. materials	114.2	132.9	122.1	130.1
Industrial mines	367.1	402.4	366.9	400.3
68 Industrials	150.9	161.7	150.3	161.7
Transportation	9.3	10.5	10.0	10.6
Tel & telegraph	127.3	134.5	132.6	132.9
Power & traction	57.6	62.2	57.4	59.9
19 Utilities	41.0	44.2	41.7	43.1
Gold stocks	106.4	117.3	113.5	117.8
Base metals	271.6	314.6	296.0	314.9

* * *

Model Reports

There have been noteworthy examples of improvement in Canadian practices in issuing company reports. But companies in this country still lag far behind in such matters as issuing regular and complete interim reports, efforts to make the stories of their reports interesting, informative, easily understandable, and complete.

The Magazine of Wall Street gives its summary of the objectives that should be before company executives in reporting to their shareholders, pointing out that such reports should be:

Frequent—At least quarterly, supplemented if possible by monthly figures on orders, backlogs, etc., and whenever necessary by discussion of special factors.

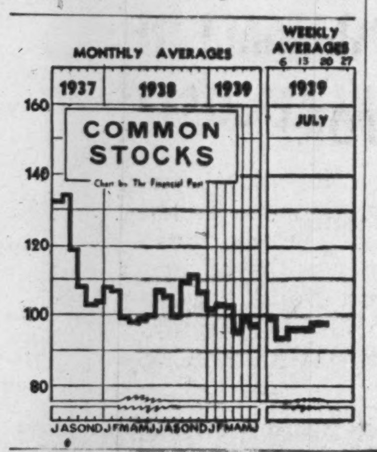
Prompt—For most companies, annual reports within two months of the year-end; quarterly figures somewhat sooner.

Regular—Where unusual delays occur, they should be publicly explained and a new date set for issuance.

Complete—Omitting no significant information except in accordance with a general policy for which reasons are given.

Frank—Interpreting items that are not easily understandable; showing comparisons with figures for previous periods.

Interesting—The vital facts brought out, new developments stressed; avoiding the deliberate dullness which is supposed to discourage unwanted stockholder interest in company affairs.



$1,800,000 in Aircraft Orders

Fleet Aircraft Limited today has contracts on its books amounting to approximately $1,800,000.

Business on hand includes orders for the British, Canadian and foreign Governments, as well as for commercial purposes.

Present products of the Company are well diversified, and a competent engineering staff is on the alert to develop new business in the field of "training planes" in which the Company's experience has been extensive and successful.

Descriptive circular on Fleet Aircraft Limited will be sent on request.

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138A

Gypsum, Lime Sales Higher In Half Year

New N. S. Plant Expected to Build Exports To U. S.

FORECAST GAINS

Volume of business of Gypsum, Lime & Alabastine, Canada Ltd., in the six months ended May 31 showed an improvement over 1938 according to official information. This was achieved in spite of a late spring and the critical international situation.

Operating several plants in Western Canada, the company states it has had less business from this section of the country. But if present excellent crop prospects materialize, a moderate improvement for the last half of the year is expected.

The recently installed gas-fired kiln at Beachville, Ont. is in full operation, resulting in lower operating costs and the production of very high grade calcium lime for the industrial trade This now forms a substantial portion of the company's business.

Another project just getting under way is the development of a high grade gypsum deposit at Baddeck, N.S. This was acquired to assure the company a long term supply of high grade gypsum. Opening up of the deposit has been completed and shipping of the first cargo is expected within the next week or two. It is stated that this unit will both strengthen the company's supply position with the best grade of raw material and develop new business in the export of rock to the United States and overseas markets.

Increase Expected

Company officials feel that its products will be in increasing demand for the balance of the year ending November 30, because of reports received from its sales offices throughout the country indicating increased building activity.

Standard Lime Co., a wholly-owned subsidiary, is also experiencing a better year, chiefly because of larger sales to the pulp and paper companies. The sand and crushed stone division is expected to benefit from increased road building in Quebec province.

In the year ended Nov. 30, 1938, Gypsum, Lime and Alabastine had a net profit equivalent to 17 cents a share on the common stock compared with 14 cents a share in 1937. This was after providing for interest on its first mortgage bonds and other charges. No dividends had been paid since Oct. 1, 1931.

Investment Notes

S.E.C. report of security transactions and holdings includes the following of Canadian interest:

Granby Consolidated Mining—B. E. Perks, officer, disposed of 100 shares, retaining the same number.

* * *

International Hydro-Electric—G. G. Gale, officer and director, held 329 class A shares.

* * *

Gatineau Power—G. G. Gale, officer and director, held 1,221 common shares, 316 5% preferred and acquired 35 shares of 5½% preferred, holding that many; he disposed of the entire holdings of $3,000 5% bonds, due 1956 (redeemed June 1).

* * *

Building Products common stock touched a new high of 19¼ this week which is the highest level ever recorded for the stock. This reflects prospects that earnings of the company will reach a new peak this year.

Foreign Power Alters Trust Plan

Bondholders Approve Changes in Powers of Trustee

From Our Own Correspondent

MONTREAL.—Holders of the 6% collateral trust bonds of Foreign Power Securities Corp. have approved proposal to alter powers of the trustee in handling funds and securities deposited as security for the issue. It will now be possible for the trustee to invest funds in the company's own bonds.

Holders of $983,000 principal amount of bonds voted in favor of the proposal at a special meeting here on July 24. No bonds were voted against the resolution. As at Oct. 31 last, the company had outstanding $1,983,000 of bonds.

Alteration of the trust deed was necessitated by the fact that the market value of the company's holdings, due to the depreciation of the French franc and to conditions in Europe, was below 125% of bonds issued and outstanding as required under the trust deed. This condition rendered that part of the trust deed having to do with the investment of money by the trustee unworkable, inasmuch as it precluded the trustee from making any investment of the funds in its possession which early this year amounted to $440,354. It also prevented the company from investing in its own bonds, which are selling in the market at material discount.

Ottawa Valley Power Co. Earnings Up Last Year

From Our Own Correspondent

MONTREAL.—Earnings of Ottawa Valley Power Co. in 1938, before interest charges, depreciation and income taxes, amounted to $940,249. This compares with $887,021 in 1937.

The company has outstanding $7.5 millions of 4% first mortgage bonds and $2.5 millions of 5% second mortgage bonds. The annual interest requirements total $425,000.

Ottawa Valley Power Co., which is a subsidiary of Calgary Power Co., does not issue a financial statement. However, cumulative deficit at the end of 1938 is reported at $366,432 as compared with a deficit of $530,932 at the end of 1937. This indicates that net profit of the company for the year approximated $164,500, which is equivalent to $3.29 a share on the 50,000 shares of common stock.

Market Opinions

Opinion among stock market commentators this week confirms the belief that the general trend is upward.

Barron's, New York (The Trader)—"Far better than expected, semi-annual earning statements, which are now appearing in abundance, not only support the present dividend rates but also definitely hold out the promise of higher disbursements, especially on the part of those companies committed to year-end extras when conditions warrant. Illustrating the abandonment of lethargy on the part of the market is the tendency now for stocks to respond to good news. . . .

"On the purely business side, the news continues favorable. Such speculative barometers as the paper board and textile industries are expanding operations. . . .

"Behind the market rise are the forces of cheap money, rising earning power and climbing business activity. Until there is deterioration in the strength of these factors, it is hard to see how stocks are to become less attractive."

* * *

Barron's, New York (The Dow Theorist)—"The movement of the Dow-Jones industrial and railroad averages since April 8 provides a major bull market signal under the Dow theory. Essential requirements are present. The rise which culminated on March 31 in the rails and on June 10 in the industrials had the characteristics of a full secondary advance; considered by itself and as a correction of the preceding decline. The recession which occurred during June was, in turn, sufficient to provide a real test of the April 8 lows and to constitute a full secondary decline. The subsequent recovery carried both averages last week decisively through the March 31-April 10 highs.

"As a result, both primary and secondary trends are now recognized as up under the Dow theory."

* * *

The Financial World, New York—"Although the trend of stock prices appears again to have been established in an upward direction, the movement is not likely to continue without interruption and investors should not be disturbed by the technical reactions that will probably be seen from time to time. And while the non-dividend paying and more speculative type of stocks usually shows the best profits in an advancing market, selected issues of a more solid calibre—such as have been frequently recommended in recent months—can be expected to share adequately in the general improvement and conservatism suggests that these continue to represent the bulk of one's invested funds."

* * *

New York Times (A. D. Noyes)—"Thus it would appear that the current period, instead of simply paving the way for the fall, actually is productive of really perceptible progress. The only obstruction to this upward tendency now believed possible would be a blow-off in the international political situation.

"In the past, the stock market usually has served as an excellent barometer of forthcoming trends. For several weeks, however, it has preferred to ignore both present industrial activity and indications for the fall. It was the spending of this pent-up activity more than any other single factor that started the bull movement."

* * *

The Annalist, New York—"The fact that there is no outstanding news event which provides an explanation for the market's advance is, if anything, a favorable item in the technical situation. Ordinarily, moves on news do not continue long, while an advance in stock prices based upon fundamental conditions is likely to set in without any explanation and at the outset is often regarded as unwarranted.

"The thinness of present markets increases the possibility that some temporary buying wave might produce an exaggerated price movement which will fail to carry through. It is certainly possible that the Dow theory of buying was chiefly responsible for Monday's rise and that no further movement of importance will occur. Under normal conditions this would be improbable but under conditions of extreme regulation the danger of this type of erratic movement is, of course, increased.

"All things considered, however, it seems reasonable to accept the breaking through of the June high level at its face value as a definitely favorable development."

Abitibi Groups Move Quietly

Informal Negotiations Now Reported to Be in Progress

The summer holiday season seems to have curbed activity among various interested groups working toward rehabilitation of Abitibi Power & Paper Co. Spokesmen for the bondholders' protective committee state that deposits of bonds continue to come in, accelerated, it is said, by recent less satisfactory monthly earnings figures reported by G. T. Clarkson, receiver and manager.

Informal conversations have taken place within the past few days between representatives of the preferred shareholders' committee and members of the Symington bondholders' committee, The Financial Post is told. These have not taken place at formally called meetings and reports of what transpired are confined to the report that "progress is being made."

It is understood that prominent new interests have entered the negotiations with a view to arranging for some kind of agreement. Representatives of equity groups are said to be "confident of avoiding the final step toward judicial sale of the properties." On the other hand, there has been no indication of any alteration in plans of the major bondholders' group which is proceeding with its plans for obtaining as much support as possible for its "plan of procedure."

Attention has been directed again toward the Abitibi situation by recent signs of strength in the preferred shares and bonds. In part this has also shown by the newsprint group as a whole but the Abitibi securities have apparently been somewhat stronger than the average. For example, the bonds have moved from 42½ bid on July 10 to 48½ bid on July 25. The 6% preferred was quoted at 3½ on July 10 and had moved up to 7 on July 25.

Killarney Apts. Pays on Bonds

Revenue for 1938 Declines Fractionally From 1937

Net revenue of Killarney Apartments in 1938 declined $76 to $969, according to the report of London & Western Trusts Co., the manager and receiver of the company. This is before provision for bond interest, depreciation, management and legal expense.

The report states that an offer received to purchase the property for $11,250, which would have given the 7% bondholders a 45% distribution of principal, failed to materialize. Bondholders expressed themselves in favor of the deal.

The receiver requests bondholders to forward coupon No. 9, due Jan. 12, 1931, together with ownership certificate for payment. Payment will amount to five sixths of face value. One sixth comes from sinking fund payment held by trustees and two thirds from the receiver's account, plus simple interest at 7% to July 12, 1939 on two-thirds portion payable from the receiver's account.

Holders of bonds No. 7, 8, and 9 are requested to forward to the London and Western Trusts to receive a cash distribution of one twelfth Because of sinking fund shortage, these bonds will be endorsed to show that they now rank against the property for five sixths of face value. Outstanding bonds are reduced to $22,292.

Brazilian Net Trend Is Up

Exchange Drop More Than Accounts For June Decline

Brazilian Traction, Light & Power Co.'s interim statement of earnings for the first half of 1939 shows net earnings 2.73% above the corresponding period of last year.

Latest month for which the company has reported (June) shows a decline in net of $9,147, or 0.53%. April also showed a drop of 1.14% but these two drops have failed to offset the larger gains made in other months.

The company has stated for June that "the decrease in net earnings as compared with the corresponding month of the previous year is more than accounted for by the decline in exchange." This is taken to indicate that the services provided by the company's operating subsidiaries in Brazil are continuing to reach new peaks as has been the case for some years past.

Earnings of Brazilian Traction, in the final adjustment, are greatly influenced by the prevailing rate of exchange. This fluctuates quite widely but recently has weakened with the results mentioned.

Continuation of the upward trend shown for gross earnings and services could easily mean that Brazilian's final net profit for the year would be above that for 1938 when the company earned $1.37 a share. Exchange difficulties, however, have not yet been cleared up and dividends apparently will have to wait resumption of remittances from Brazil.

Monthly Earnings

	1939 $	1938 $	Incr. %
January			
Gr. earns	3,249,267	3,036,154	7.02
Op. exps.	1,554,784	1,414,271	9.94
Net earns.	1,694,483	1,621,883	4.48
February			
Gr. earns.	3,138,483	2,895,036	8.41
Op. exps.	1,520,584	1,386,531	9.67
Net earns.	1,617,899	1,508,505	7.25
March			
Gr. earn.	3,287,149	3,061,624	7.37
Op. exps.	1,620,147	1,469,540	10.25
Net earns.	1,667,002	1,592,084	4.71
April			
Gr. earn.	3,127,526	3,071,883	1.81
Op. exps.	1,519,835	1,445,700	5.13
Net earns.	1,607,691	1,626,183	*1.14
May			
Gr. earn.	3,321,849	3,180,940	4.43
Op. exps.	1,603,935	1,500,592	6.89
Net earn.	1,717,914	1,680,348	2.24
June			
Gr. earn.	3,215,506	3,227,488	*0.37
Op. exps.	1,488,229	1,491,064	*0.19
Net earn.	1,727,277	1,736,424	*0.53
Six Months Ended June 30:			
Gr. earn.	19,339,780	18,473,125	4.69
Op. exps.	9,307,514	8,707,698	6.89
Net earn.	10,032,266	9,765,427	2.73

*Decrease.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.2	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
Weekly Figures:												
July 6	112.8	11.3	72.5	149.0	56.4	180.4	122.6	123.7	58.3	84.8	42.1	94.0
July 13	115.5	11.5	75.4	154.3	57.5	181.1	123.6	126.5	58.8	85.2	42.3	95.9
July 20	116.9	12.1	75.2	156.6	59.5	182.3	125.4	130.3	59.2	85.1	42.8	98.0

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
July 25	113.27	121.48	89.53	29.00
July 24	113.02	121.74	89.41	29.01
July 22	113.82	122.01	90.03	29.07
July 21	112.92	121.98	89.43	28.88
July 20	112.74	121.68	88.25	28.76
July 19	113.57	121.69	89.13	28.87
Month ago	111.81	120.17	85.99	28.83
Year ago	124.92	123.61	96.87	37.19
High, 1939	126.92	128.95	101.27	45.00
Low, 1939	102.52	109.85	80.75	27.66

Montreal Stock Exchange Averages

	10 Utl.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
July 25	66.7	73.7	71.3	80.03	111.69
July 24	66.9	73.7	71.4	81.74	111.69
July 22	66.8	74.4	71.8	81.36	112.55
July 21	66.5	73.4	71.1	76.93	111.73
July 20	66.2	72.5	70.4	69.52	112.72
July 19	66.5	73.0	70.8	71.42	112.06
Month ago	66.0	70.4	68.9	67.30	110.21
Year ago	67.7	87.3	80.7	141.30	125.54
High, 1939	70.1	85.0	79.1	119.77	126.48
Low, 1939	60.4	66.5	65.4	62.09	103.86

Dom. Stores Sales Higher

Average Sales Per Store Gain Faster Than Total

Each month this year with the exception of January, Dominion Stores has shown a gain in sales over the same month a year earlier. With seven four-week periods now reported, the cumulative gain is $757,302, or 7.39%.

In issuing the latest figures, the company states: "It is pleasing to note that the increase in average sales per store over last year is being maintained. The period just ended shows a 16.00% average increase per store."

Dominion Stores has followed a policy of closing a number of unprofitable units. At the same time it has been adding meat departments to its stores with the result that there were nine more meat departments operated in the latest period than was the case a year ago.

Number of Stores Less

The gain of 6.70% in total sales this year has been achieved in spite of decreases of from 14 to 43 in the number of stores operated, the latest figures being 436 stores as compared with 474 a year ago.

The company will shortly be issuing its semi-annual earnings statement. Whether or not this will show a gain in earnings comparable with that for sales is hard to estimate. It is known that prices in general have not yet shown much tendency to recover from the price war that has prevailed for some months in the Ontario districts. This actually means that physical volume of groceries, meats and vegetables handled has to gain proportionately more than dollar sales in order for the gain mentioned to be shown.

Monthly Sales
(Subject to final adjustment)

	1939 $	1938 $	Incr. %
Jan. 28	1,366,469	1,404,480	*2.71
Feb. 25	1,531,878	1,459,841	4.93
Mar. 25	1,680,272	1,472,091	14.14
Apr. 22	1,640,528	1,495,190	9.72
May 20	1,637,720	1,486,876	10.14
June 17	1,586,974	1,466,405	8.22
July 16	1,565,780	1,467,436	6.70
	11,009,621	10,252,319	7.39

*Decrease.

Note:—In the period ended Jan. 28, 1939, 14 fewer stores were operated than in the 1938 period; Feb. 25, 16 fewer; Mar. 25, 34 fewer; April 22, 43 fewer; May 20, 40 fewer; June 17, 38 fewer; July 15, 38 fewer.

Province of Quebec

3½% Debentures, due March 15th, 1959

The Province of Quebec occupies a prominent position in Canada's industry and commerce, the diversity of economic activities carried on within the Province being based on its great natural resources.

Quebec's per capita debenture debt is, with one exception, substantially lower than that of any other Canadian province.

Price: 99.50 and interest, yielding 3.53%

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Company Reports

Shawinigan Power

Improvement in earnings in the six months ended June 30 is reported by Shawinigan Water and Power Co. Gross revenue was $248,019 higher than in the same period of 1938, amounting to $7,244,215.

Operating expenses were $173,173 higher and fixed charges were down $23,868. As a result, earnings available for depreciation, income taxes and dividends, amounted to $2,106,015, an increase of $97,714.

For the quarter ended June 30 the company has declared a common dividend of 23 cents a share payable Aug. 15 to shareholders of record July 26. This brings dividend payments for the first half of the year to 45 cents a share, as against 40 cents a share for the corresponding period of 1938.

Earnings available for depreciation, income taxes and dividends in the quarter ended June 30 amounted to $994,879 as against $1,111,136 in the previous three months and $962,505 in the second quarter of 1938.

Revenue and Expenses
Six Months Ended June 30

	1939 $	1938 $
Gross revenue	7,244,216	6,996,197
Less expenses:		
Operating	1,625,646	1,587,473
Power purch.	861,959	806,838
Water rentals	239,819	247,782
Taxes & insur.	522,722	454,930
Exchange reserve	12,000	12,000
Net oper. revenue	3,982,020	3,907,174
Less: Fixed charges	1,876,005	1,898,873
Surplus before deprec. & income taxes	2,106,015	2,008,301
Earned per Share	$0.45	$0.40

Fraser Companies

Fraser Companies reports lower consolidated earnings in the first six months of 1939 than in the first half of 1938. Consolidated income and expenditure account for the period, subject to adjustment on audit, shows a net loss for the period of $447,539 as against a net profit of $109,307 for the same period of 1938.

Operations in the second quarter of the year were on a somewhat better basis than in the first quarter. In the first quarter of the year the company had a net loss of $253,003, compared with a profit of $142,929 in the corresponding period of 1938. Net loss in the second quarter of the year amounted to $184,536, as against a loss of $33,622 in the three months ended June 30, 1938.

Before providing for depletion and depreciation, earnings covered all interest charges and exchange by a margin of $73,827.

Cons. Income Account
Six Months Ended June 30

	†1939 $	1938 $
Oper. earnings	506,730	1,088,052
Less: Bk. & other int.	27,992	34,747
Sp. loan interest	42,442	46,905
Bond interest	362,468	367,984
Depl. & deprec.	521,366	529,109
Net loss	447,539	*109,307

*Profit. †Subject to adjustment on audit.

Quebec Power Co.

As a result of higher operating expenses and taxes, Quebec Power Co. reports lower earnings in the six months ended June 30, 1939, than in the corresponding period of 1938. Consolidated earnings for the period available for depreciation, income taxes and dividends, amounted to $551,744 as against $583,992 last year.

An improvement of $112,649 in gross revenue was more than offset by an increase of $137,438 in operating expenses, taxes and other expenses. Fixed charges were $2,540 lower.

Results for the second quarter of the year were less satisfactory than those for the first quarter. Earnings in the first quarter of the year before depreciation and income taxes, amounted to $312,652, a decrease of only $2,337 as compared with the first quarter of 1938. Comparative earnings in the second quarter amounted to $239,092, a decrease of $29,911 as compared with the second quarter of 1938.

Revenue and Expenses
Six Months Ended June 30

	1939 $	1938 $
Gross revenue	2,163,138	2,050,488
Less: Taxes, oper. & other expenses	1,357,903	1,210,465
Net oper. revenue	805,235	840,023
Less: Fixed charges	253,490	256,030
Surplus before deprec. & income taxes	551,745	583,993

Inverness Apartments

London & Western Trust Co., receiver and manager for Inverness Apartments, Windsor, reports that taxes have been paid in full to the end of 1938 and cash balance on hand was $1,493 at that time, subject to claims for legal and receiver's fees. After adjusting taxes and insurance to an annual basis, but not providing for bond interest, depreciation, management, or legal expenses, net revenue for 1938 amounted to $756, a decrease of $524 from 1937. Gross revenues dropped due to vacancies and more money was spent on decorating and repairs.

Interest payment on the first mortgage bonds is being made at the rate of $43.05 per $1,000 bond from accumulated funds, covering interest due Jan. 12, 1931, plus simple interest at 7% to July 12, 1939.

Income and Expenditure Account
Years Ended Dec. 31

	1938 $	1937 $
Gross revenue	2,707	2,931
Less: Expenditures	2,031	2,725
Net revenue	676	206

Edmonton City Dairy

Edmonton City Dairy Ltd., was able to earn the equivalent of $4.98 a share on its 6½% preference shares in the year ended March 31, 1939, as compared with $4.70 a share in the previous year. The 1939 earnings are after non-recurring charges of $3,264 for cream-top bottle franchise. Dividends were again paid at 5%, leaving arrears of $3.12½ as at July 1 of this year.

After writing off $12,280, together with $2,695 against special reserve, a balance of $8,800 remains to be charged against surplus for the capital loss on Mount Royal Dairy bonds. The auditors also refer to depreciation reserves stating that "in our opinion these reserves should be set up at a higher rate." Total depreciation reserves at March 31, 1939, were $162,715 applied against fixed assets of $630,925. Fixed assets are carried at appraised value as of April 1, 1936.

Consol. Income and Surplus Account
Years Ended March 31

	1939 $	1938 $
Net earnings	72,648	65,695
Add: Sundry income	6,751	4,693
Total income	79,399	70,388
Less: Depreciation	36,663	24,000
Income taxes	11,101	10,048
Cream-top bottle franchise	3,264	......
Net profit	38,371	36,340
Less: Preferred divd.	38,552	38,665
Deficit for year	181	2,325
Add: Prev. surplus	21,010	49,271
Income tax adjust.	576	......
Less: Mt. Royal Dairies bonds w/o	12,280	......
Pref. shs. bot.*	2,400	......
Various adjustments	......	29,936
Surplus forward	6,725	21,010
*30 shares at $80.		
Earned per Share:		
Preference: Earned	$4.98	$4.70
Paid	5.00	5.00
Shares Outstanding:		
Preference, $100 par	7,703	7,733
Common, n.p.v.	30,000	30,000
Working Capital		
Current assets	186,435	164,241
Current liabilities	49,025	53,628
Working capital	137,410	110,613

Mersey Paper

Mersey Paper Co. reports lower earnings for 1938, net earnings amounting to $852,933 as against $947,243 in 1937.

Bank loans at the end of 1938 were $388,000 higher at $677,000. Working capital shows a small improvement.

During the year the amount of general mortgage bonds outstanding was reduced by $50,000 to $2,049,500.

Deferred charges to operations are shown at $188,105 as compared with $12,486 in 1937. Fixed assets, before deducting depreciation, increased during 1938 from $13,413,115 to $13,537,115.

In 1937 Mersey Paper guaranteed the performance of a wholly-owned subsidiary under agreements to purchase timberlands and to pay the cost and interest over 11 years. Mersey Paper Co. has paid $258,410 with respect to interest and principal, according to terms of the agreement.

Cons. Profit and Loss Account
Years Ended Dec. 31

	1938 $	1937 $
Net earnings	852,933	947,243
Less: Depreciation	453,078	380,707
Bond & other int.	399,855	566,536
Net profit	nil	nil
Working Capital		
Current assets	2,651,095	2,173,858
Current liabilities	1,194,169	745,184

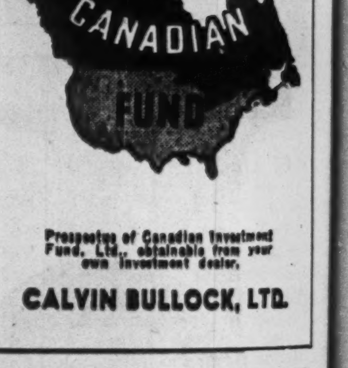
Maritime Electric

A moderate improvement in earnings is reported by Maritime Electric Co. in 1938. Gross earnings were $28,117 higher than in 1937, but expenses also increased. Net profit for the year amounted to $31,854 as against $29,867 in 1937.

Outstanding funded debt consists of $981,500 of 4½% first mortgage bonds and $391,500 of 5½% general mortgage bonds.

Income Account
Years Ended Dec. 31

	1938 $	1937 $
Gross earnings	504,545	476,428
Less: Oper. expenses	349,981	326,460
Net earnings	154,564	149,968
Less: Depreciation	52,316	51,106
1st mtge. bond int.	40,203	40,500
2nd mtge. bond int.	21,830	22,000
Other interest	1,906	377
Income taxes	6,455	6,118
Net profit	31,854	29,867



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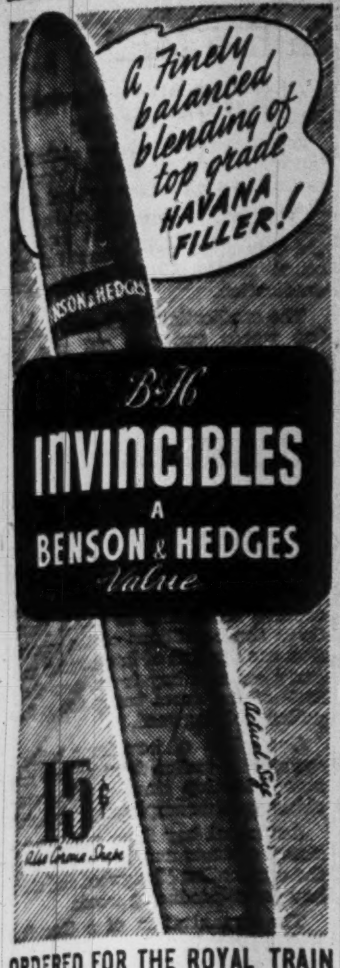

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Montreal Reports $256,721 Surplus

Net Debt Shows Increase of $3.9 Millions in 1938-39

From Our Own Correspondent

MONTREAL.—City of Montreal reports a surplus of $256,721 for the fiscal year ended April 30 last. This is before providing for direct relief expenditures and after taking into revenue account $250,000 of the reserve for losses of other accounts no longer required and $700,000 of accumulated revenue surplus.

Ordinary revenues totalled $49,031,049 and ordinary expenditures $48,774,328. The city's share of relief costs for the year was $5,205,912.

Gross funded debt is shown at $274,028,746, a decrease of $3,540,566. This decrease in funded debt is more than offset, however, by an increase in temporary debt. Net debt totals $205,277,851, an increase of $3.9 millions.

Bank loans at April 30 amounted to $33.1 millions. Of this amount, $14.3 millions was borrowed in anticipation of revenue; $10.3 millions to finance the city's share of relief; and $4 millions against the amount owing by the Quebec Government for relief.

The balance sheet shows an amount of $6.1 millions due to the city from the Quebec Government. It also shows the city indebted to Quebec for an amount of $1.7 million for its share of hospitalization, insane patients, etc. In addition, there is a claim of $1.3 million by the Quebec Government which is contested by the city.

West Canadian Dividend

Initial dividends have been paid on the class B stock of West Canadian Hydro Electric Corp. This payment is for the 11 month period ended May 31, 1939, at an annual rate of 10 cents per share, equivalent to 9.1666 cents for the 11 months period. Payment was made July 25, 1939, to shareholders of record July 15.

FOR SALE BY TENDER

The world's foremost natural Sodium Sulphate (Glauber's salt) deposit. Drill tests show exceptional purity and about nine million tons. Ideally located close to U. S. border in southern Saskatchewan.

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Bond Markets

Bond Trading Light Prices Hold Steady

Some Revival in Interest is Evident in Secondary Issues—Little Financing in Prospect—Utilities Show Some Small Gains

As far as the bond market is concerned the holiday spirit prevails. Volume during the past week has been small and there is little interest in trading. Furthermore, there is no immediate prospect of any new issues.

Prices of domestic high grade issues continue to pursue a generally steady course, while United Kingdom bonds have eased off somewhat.

Although volume of trading has been small, fractional gains have been recorded by a number of utility issues, such as B. C. Power, Calgary Power, Winnipeg Electric and Power Corp.

Some revival of interest in secondary corporation bonds has been evident. Gains were registered by pulp and paper issues, such as Abitibi, Brown Co., Consolidated Paper and Minnesota and Ontario.

* * *

Government Financing

As far as government financing is concerned, the Canadian bond market appears to be in for a dull period during the next few months. Other than the Province of Quebec issue which is to be offered in United States there is no government financing in immediate prospect.

It is possible, in fact, that there will be no major government loan until late in the fall. The immediate needs of Quebec, Ontario and New Brunswick have been satisfied. Nova Scotia is a potential borrower but it is not likely to enter the market until around October 1 when it has a $3.5 millions maturity.

The Dominion Government has ample funds at present, but it will probably enter the market this fall with a large loan. It has to provide for the balance of three maturities in October and November. Expectations are the Ottawa Government will seek a large amount of new cash at that time, especially as it has $270 millions of refunding to do during the first nine months of 1939.

* * *

Quebec Issue

Sale of the Province of Quebec's $30 millions domestic loan which was brought out last March has been completed. Books of the syndicate of investment dealers and banks which handled the issue were closed on July 19.

The offering was made up of $10 millions of five-year 2½% bonds, 15-year 3¼% bonds and 20-year 3½% bonds respectively.

Completion of sale of the issue is a favorable development in view of the pending offer of $30 millions of Quebec bonds in the United States.

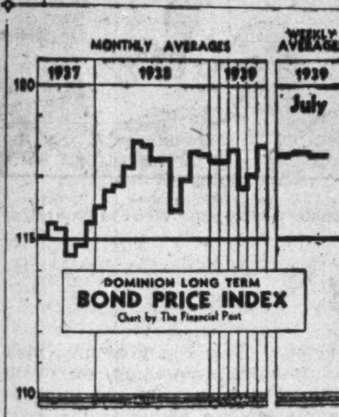
* * *

Debt Refunding

An interesting development in the United States is the plan of the State of Arkansas for refunding its entire funded debt at a lower rate of interest. A $140 millions refunding issue is expected to be offered before the end of August.

More than one Canadian province would like to refund its funded debt, but there are obstacles which heretofore have prevented such action. All three prairie provinces would like to secure lower interest rates, but their credit rating is not such to permit such an undertaking.

However, the biggest obstacle to provincial refunding is that most of the high coupon bonds are non-callable. This is also true of most Canadian municipal bonds. If all Canadian governmental bonds had been callable it would have been possible in recent years to make a substantial saving in interest charges through refunding.



DOMINION LONG TERM BOND PRICE INDEX
Chart by The Financial Post

The average cost of interest-bearing securities to Arkansas is 4.42%. It is believed the rate on the new issue may be 3.75% or better.

* * *

Competitive Bidding

Canadian financial circles are following with interest the controversy in the United States over the question of competitive bidding for corporation bond issues. The matter has been under study by the Securities and Exchange Commission for some time, but the subject has come in for wider discussion as a result of the recent move to force competitive bidding on several railway issues and the recent issue of the Southern Bell Telephone Co.

Competitive bidding is an established practice in the state and municipal bond field, but corporation issues are usually sold privately. As a rule there is a continuing relationship between the corporation and the underwriting house.

In Canada the situation is somewhat similar to that in the United States. Competitive bidding for municipal issues is the general practice. Practice in the provincial field is not uniform and in recent years competitive bidding has not been in general use. As far as corporations are concerned, the practice is the same as in United States. It is seldom that tenders are called for a corporation issue.

Whatever the outcome of the situation in the United States it is not likely to result in a change in Canadian practice. To some extent the United States controversy is a quarrel between Wall Street and its opponents..

* * *

Bond Index

DOMINION OF CANADA
Long-term Index

	Weekly average July 14-20	Preceding week July 7-13	Weekly average year ago
Price	118.0	118.0	117.5
Yield	59.9	50.9	63.0

Hamilton Gets Funds At Record Low Cost

Treasury bill financing of Hamilton, Ont., through a Toronto investment dealer establishes a record low cost of money for the city. The issue was for $500,000 of one-year treasury notes. Cost basis to the city is 1.75%.

This is the first time that the city has gone outside banking institutions for funds for current expenditures. The money will be used for relief, waterworks, local improvements, street sewers, etc.

Obituaries

J. L. Payne, formerly Comptroller of Railway Statistics, Ottawa, and secretary of the Colonial Conference of 1894 and the Canada-Newfoundland Conference of 1895, aged 79, at Ottawa.

W. S. Herron, president, Okalta Oils Ltd., and Chinook Oils Ltd., discoverer of the Turner Valley oil field, at Calgary, aged 69.

Albert Paradis, manager Banque Canadienne Nationale and former mayor of St. Sebastien, Que., at St. Sebastien, aged 74.

Henry Parker, branch manager Sun Insurance office, at Montreal, aged 50.

J. Rene de Cotret, secretary Tramways Commission of Montreal, at Montreal, aged 42.

Malcolm Sinclair, founder of the paint firm of Malcolm Sinclair Ltd., Oakville,, Ont., at Toronto, aged 69.

Bond Tenders

5 p.m., Aug. 5, Mun. Parish of Saint Joseph De La Riviere-Des-Prairies, P.Q.—$22,000, 4½%, dated May 1, 1939, redeemable serially 1940 to 1961. Louis J. Pare, sec.-treas.

5 p.m., Aug. 7, Victoriaville, P.Q. —$11,000, 3½%, dated July 1, 1939, redeemable in series from July 1, 1940, to July 1, 1949. Philippe Marchand, clerk.

Bond Sales

Kelowna, B.C.

Kelowna, B.C., has sold $65,000 of 3¾%, 20-year serial bonds to A. E. Ames & Co. at 103.25, a cost basis of about 3.40%. The bonds are dated Sept. 1, 1939, and funds raised are to be applied toward the town's share of cost of a new hospital. A complete list of bids follows:

	Bid
A. E. Ames & Co.	103.25
R. A. Daly & Co.	102.19
Midland Securities, Dyment, Anderson	102.05
Laurence Smith	101.85
Wood, Gundy & Co.	101.44
Royal Securities	99.04

* * *

Sherbrooke, Que.

Sherbrooke has sold $200,000 of 3½% serial debentures, dated July 1, 1939, and maturing from July 1, 1940 to 1955, to A. E. Ames & Co., McTaggart, Hanniford & Birks, and Bank of Montreal, at 102.02. List of bids follows:

	Bid
Bank of Montreal, A. E. Ames & Co., McTaggart, Hannaford, Birks & Gordon	102.02
Hanson Bros., Royal Securities ..	101.41
Laurence Smith, Nesbitt, Thomson	101.40
Bell, Gouinlock & Co.	101.12
Royal Bank, Dominion Securities	101.07
Wood, Gundy & Co., Savard, Hodgson, Banque Canadienne Nationale	100.625
Credit Anglo-Francais	100.621
Greenshields & Co., L. G. Beaubien & Co.	100.58
McLeod, Young, Weir & Co.	100.27
Mills, Spence & Co.	100.10

* * *

Mount Royal, Que.

Town of Mount Royal has sold $42,600 of 4%, 15-installment debentures to Dominion Securities Corp. at 99.08. Other bids follow:

	Bid
Dominion Securities	99.08
Credit Anglo-Francais	98.65
Rene T. LeClerc	98.61
Wood, Gundy & Co.	98.00

* * *

Seaforth, Ont.

Town of Seaforth has sold $33,707 of 3½% debentures, maturing from 1940 to 1955 to Harris, Ramsay & Co. at 102.39. Other bids were as follows:

	Bid
Harris, Ramsay & Co.	102.39
Dyment, Anderson	102.345
Burns Bros. & Denton	101.51
J. L. Graham	101.475

Norfolk Sells $170,000 Issue

Saves By Using Debentures For Current Purposes

Norfolk County, Ont., will save $3,200 in 1939 in interest as the result of a sale of $170,000 of 5-year debentures, bearing an average interest rate of 2.55%. Purpose of the issue is to provide the county with funds for current borrowings.

The county formerly went to banks for this money and interest at 4½% was paid.

Hon. Eric Cross, Minister of Municipal Affairs, who had previously criticized payment of interest on a 4½% basis regardless of the credit standing of the county, approved this method of obtaining funds. The department has been seeking means of lowering interest charges to municipalities, particularly counties in the province.

Counties Handicapped

"Norfolk has been paying up to $8,000 annually for loans needed to carry on business until taxes and various subsidies and rebates are received," the minister states. "Along with other counties in a similarly favorable financial position, Norfolk was unable to obtain money for less than 4½% from the banks, notwithstanding the fact that cities and other municipalities whose debt mounted into the millions have been able to borrow at rates of 1¼% to 2% for short-term loans.

"My department offered a solution in the form of short-term floating indebtedness, and I can see no reason why other counties whose credit position is good, should not, if necessary, take advantage of this method of financing. This follows my recent suggestion of treasury bill legislation or one-year debentures for the purpose of providing municipalities with cheaper money."

Mr. Cross stated that Norfolk experienced delay in the present financing arrangement because of the opposition of banks or investment dealers who usually market issues.

Seeks Adjustment

"There must be some readjustment in these interest rates and my department, as the Norfolk case indicates, is prepared to give leadership in this direction," Mr. Cross declared.

Recently, North Bay was able to sell $50,000 of 5-year serial debentures at a rate of approximately 3.25%, which is 1½% below the former figure.

Municipal Finances

New Westminster, B. C., despite increased revenues, is going behind financially $200,000 every year, Ald. H. J. Sullivan, chairman of finance, reported to the city council in connection with an external audit.

"Our costs of operating various departments, other than water and light, has increased by more than $176,000 since 1934," Mr. Sullivan stated.

* * *

Wetaskiwin, Alta., has set the tax rate for 1939 at 35 mills.

* * *

Winnipeg Hydro-Electric Company paid total taxes of $88,191 in 1938, and received $2.8 millions for electricity purchased during the year. It was previously stated in Municipal Finances that $350,000 was paid by the system for taxes. Total paid to the city of Winnipeg in 1938 was $65,350; comprised of $37,444 paid on fixed assessments; $24,061 on general tax, and $3,845 on business tax. Municipalities outside the city of Winnipeg received $22,841 in taxes from the system. In addition there was a contribution of $150,000 to the city for uncollectible taxes. This was paid out of the system's surplus.

* * *

London, Ont., expenditures on local improvements will henceforth be financed directly from the tax rate, not by issuing debentures, as has been the city's custom in the past. Finance Commissioner Bell announced this policy recently, explaining that in 1906 under a special act, the city was empowered to extend for ten years payment of the city's portion of work undertaken in 1896. Property owners met their obligations for the first ten years on the frontage basis.

* * *

Toronto Transportation Commission has appointed three commissioners for a three year-term. William C. McBrien remains as chairman of the Commission and two new appointees complete the body. The two are William Croft, vice-chairman, former alderman in Toronto city council, and William G. Russell, president of Toronto District Labor Council.

* * *

St. Boniface, Man. has been authorized by the Municipal and Public Utility Board of Manitoba to pay interest on its debentures for 1938 at the rate of 30 cents on the dollar. This includes also debentures of the St. Boniface School District and Norwood School District. The city entered into a refunding arrangement in 1938, whereby interest from Jan. 1, 1937, was to be paid from two thirds of surplus available for such purposes. The other third will be used to purchase debentures on the open market.

Bond Redemptions

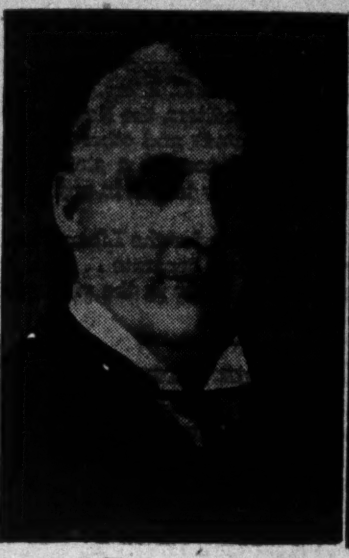
Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1 '40	105
Can. Nor. Pwr. .	†5%	1953	Aug. 1	101½
Dom. Tele. Secs.	‡5½%	1976	Aug. 2	100
Dom. Textile	4½%	1955	Sept. 1	105
Eastern Car	6%	1952	July 3	‡‡
Steel of Can. ...	6%	1940	Aug. 1	▲
Para. Pictures ..	°6%	1955	July 31	100
Ont. Pwr. of Niag. Falls	5%	1943	Aug. 15	■
Brit. Amer. Oil..	●4%	1945	Sept. 1	100½
Okanagan Tel. ..	6%	1953	Sept. 1	102

For sinking fund purposes:
*All outstanding balance. †$452,500. ‡$4,800. °$1,950,000. ●$222,000.
▲Tenders have been invited to absorb the amount of $459,252. ■$125,000.
‡‡Tenders have been invited to absorb the amount of $44,464.

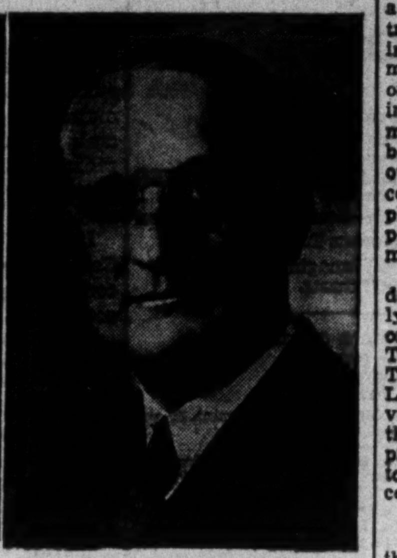
Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date issued	Sold to	Rate	Due	Amount	Price	Yield
Hamilton, Ont.	July .	Lampard Marston & Co.	....	1-yr.	$500,000	....	1.75%
Kelowna, B.C.	July..	A. E. Ames	3¾%	20-yr. ser.	$65,000	103.25	3.40%
Seaforth, Ont.	July..	Harrison, Ramsey	3½%	1940-59	33,707	102.39	.....
Mount Royal, Que.	July..	Dominion Securities	4%	15 yr. deb.	42,600	99.08	.....
Sherbrooke, Que.	July..	A. E. Ames Syndicate	3½	1940-55	200,000	102.02	.....
Toronto Separate School Bd.	July..	Wood, Gundy	2½%	10 yr. ser.	100,000	....	.....



W. F. ANGUS



S. G. DOBSON

ROYAL BANK ELECTIONS

Mr. Angus, president and managing director of Dominion Bridge Co., president of Dominion Engineering Works and a director of various industrial and financial enterprises, has been elected vice-president of the Royal Bank of Canada. He fills the vacancy caused by the recent death of Julian C. Smith.

Mr. Dobson, general manager of the Royal Bank and president of the Canadian Bankers Association, has been elected a director of the bank and member of the executive committee.

Bata Brings More Plant

Shipment of 200 Tons of Machinery Reaches Canadian Base

Establishment of a Canadian production unit of the Bata interests, world-wide shoemaking enterprise with headquarters in Czecho-Slovakia, was accelerated last week with arrival at Frankford, Ont., of the largest single shipment of machinery thus far brought in.

Aggregating more than the several previous shipments previously received, the 200-ton consignment came partly from Czecho-Slovakia, partly from the Bata production centre in England. Further shipments are scheduled to come in from time to time as the work proceeds of creating a production, research, servicing, and possibly machine-making centre to serve Empire and other export markets.

Plan Dwellings

Plans are being drafted to start early construction of 10 to 20 dwelling units in which to house company staff, particularly the engineer-technicians who are installing equipment and preparing to get into production. Financing of such dwellings under the National Housing Act is being seriously considered.

Otherwise, the Canadian enterprise will be financed from non-Czech resources. The Bata interests have never resorted to public financing anywhere they have operated, The Financial Post is informed.

Production Plans

Tentative production estimates indicate that output for export alone from the Canadian Bata plant will likely be built up to nearly four times the export volume achieved last year by Canadian shoe producers engaged in foreign business.

While this may stiffen competition for Canadian exporters in markets such as New Zealand and Jamaica, much of the Bata export will go to countries served little or not at all by present Canadian plants. And in the West Indies, the Bata interests have already built up considerable business and have a number of their own stores.

Large Export Production

Exports from Canadian shoe plants last year are reported at 343,188 pairs. From the Canadian Bata plant alone, when it gets fully into production, it is planned to export about 1,400,000 pairs. In addition, about 300,000 pairs are to be produced for sale in Canada.

From more than 200 plants, the Canadian production of shoes was slightly under 22 million pairs in 1935, 1936 and 1938, and rose above 24 million in 1937. In addition, the domestic market absorbed 748,313 imported pairs in 1938, an increase over the imports of 672,466 pairs in 1937.

Canadian Sales

The Bata output for Canadian sales will be more than double the 1938 sales in Canada through the Bata Import & Export Co., of Toronto, understood to have been 200,000 pairs. Sales in Canada this year are reported likely to exceed that figure substantially. This is in striking contrast with the total of 49,000 pairs given in Canadian trade returns as Canadian shoe imports from Czecho-Slovakia in 1935, all of them coming presumably from the Bata plants.

When Bata production in Canada gets under way, the Bata Import & Export Co. will likely be renamed the Bata Shoe Co. of Canada, or some similar title. Selling offices will continue to be maintained in Toronto, however, and not moved to the factory centre at Frankford.

One reason given for establishing a Bata production and research centre in Canada, rather than expanding the English plant to serve Empire markets, is that capacity operation of the English plant has difficulty in meeting demands of the English market. So firm is the demand from both English wholesalers and Bata's own stores in the British Isles, say company officials, that even if the plant were enlarged, much of its output would be absorbed by the domestic English market.

However, the chief reason for producing in Canada instead is admittedly the shipping difficulties and risk of plant destruction in event of war. The English plant is located at the Tilbury docks, about 25 miles from London, and would be particularly vulnerable to bombing raids. Furthermore, export shipments would probably have difficulty in clearing to export markets, and might conceivably be bottled up at the docks.

Investment Figures

From London, The Post is advised that the English Bata enterprise represents an investment of approximately $1.5 million, and enjoys ample credit. It is said to be controlled through the Danish auxiliary of the Bata world enterprise.

While exact figures on probable Canadian investment are unavailable, it is reliably reported that as much if not more than the English investment of $1.5 million will be required to get Canadian production fully under way. This presumably includes value of available machinery and equipment brought in. Present plans call for a new factory and community development at Frankford, but it is not intended to operate tanneries in connection with the Canadian Bata plant. Leather supplies will be bought from existing sources.

Weston Foods Net Increases

Merger With Allied Bakeries Partly on Cash Basis

Allied Bakers and George Weston Foods, English interests of W. Garfield Weston, have issued annual reports for the year just closed, according to the Stock Exchange Gazette, London.

George Weston Foods announces that profits of its operating companies for the 12 months ended March 31, 1939, were £255,617, an increase of £69,704 over the annual figure given in the prospectus covering the offering of £750,000 6% cumulative preference shares last December. It is stated that this company's profits were sufficient to cover a year's dividends on the new preference more than five times.

Allied Bakeries shows a net profit of £231,114, after administration costs, taxes and depreciation. This compares with £137,250. Preference dividends require £37,150 and ordinary dividends of 12% plus 3% bonus, absorb £103,362. The 3% bonus is an increase in dividend over the preceding year. After carrying £60,000 to general reserves, a balance of £30,101 is added to surplus forward, bringing this to £70,288.

On a consolidated basis the two companies show net trading profits of subsidiaries at £650,461 and earnings available for dividends at £556,718.

Merger Deal Altered

Last March it was announced that Allied Bakeries was to acquire the entire ordinary capital of Weston Foods on a share exchange basis. Precise number of Allied Bakeries ordinary shares to be turned over to the vendors of Weston Food shares was subject to final determination by an independent accountant.

It is now announced that the original terms of the deal have been changed. In place of paying for the shares entirely by the issue of common stock, Allied Bakeries is to pay £405,000 in cash and 1,675,000 Allied Bakeries ordinary shares. It is provided that the interests receiving the £405,000 in cash must subscribe for 200,000 5½% cumulative preference shares of Allied Bakeries at 20s. 6d. each. This really brings the consideration for the sale of £900,000 ordinary shares of Weston Foods to £200,000 in cash, 200,000 Allied Bakeries 5½% shares valued at £205,000 and 1,675,000 Allied Bakeries ordinary shares valued at £1,046,875, making a total consideration of £1,451,875.

Although identity of the vendor is not stated, reports from Great Britain indicate it is George Weston Holdings Ltd., which is controlled by Mr. Weston.

As part of this deal Allied Bakeries proposes to create £500,000 additional 5½% cumulative preference shares, increasing authorized capital to £3.5 millions.

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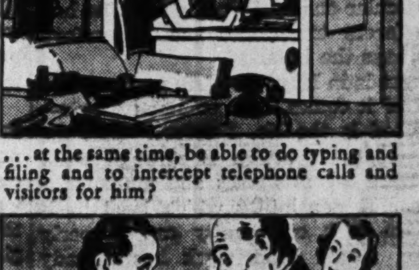

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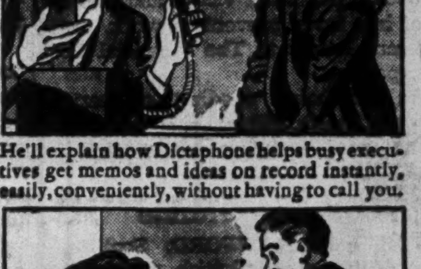

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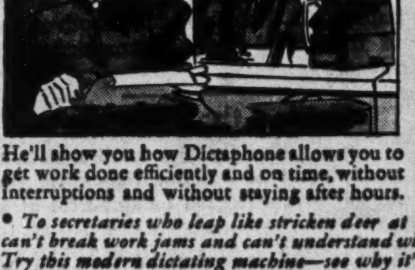

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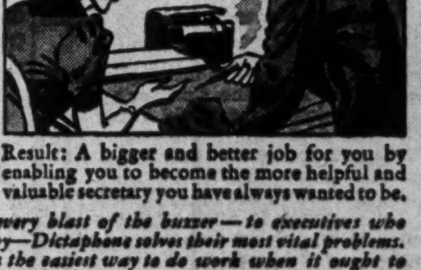

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TORONTO, JULY 29, 1939

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

The Parties Are Right, But . . .

THAT splendidly edited paper, the St. Catharines Standard, demands to know what The Financial Post would substitute for our two old line parties. Its query is prompted by our recent declaration against national government, when we suggested that two bad eggs would not necessarily make a good omelet.

The Standard asks a fair question. And in reply we would say that we do not desire the extinction of either the Liberal or the Conservative parties in Canada, which we feel are—as parties—fully adequate to take turns at playing the roles of the "Ins" and the "Outs" in Canada. We have no substitute to propose nor do we see any need for a substitute.

There is one thing wrong with both of these parties and that defect is capable of remedy. It is a lack of Leadership.

What is Leadership? Lord Lloyd defined it the other day as "will directed to a high purpose, clearly realized, clearly defined, courageously pursued." Is there Leadership in that sense at the top of either of our old line parties? There is not.

The heads of both of our major parties are, in respect to such clearly basic problems as the railways, taxation, employment and provident finance, flaccid and indolent. The policies of the parties are equally evasive.

"The need for leadership in democracy," remarked Lord Lloyd, "is even more urgent than in other forms of government."

That is true.

What The Financial Post would like to see in our parties is a little more courage, a little more candour, a little more self-starting, in short. Given those qualities, which would add up to something like Leadership, we would not desire to substitute anything for the Liberal and Conservative groups.

Atchoo!!! Excuse Me

IF THE "common cold" costs business a hundred million a year or a billion a year (or whatever of the numerous estimates you accept), who is to figure the cost of hay fever? In the summer and early autumn, when everyone should be healthy and enjoying life, offices and factories are filled with unhappy sneezing victims of a curious allergy to Nature's pollens. The victims are under par; they are not only uncomfortable but subnormal in efficiency during the period when their particular enemy is in the air. The hay fever sufferers experience the discomfort. Business pays the bills.

Hay fever is in large measure preventable. So much of it comes from common weeds—and ragweed is the No. 1 culprit—that the simplest means of attack is through weed control. Here the provinces and municipalities have a responsibility which local businessmen in each community can properly emphasize. Much good work has already been accomplished by organization under intelligent direction as Dr. H. B. Anderson, Toronto doctor, hay fever victim and pioneer sponsor of hay fever preventive work, testifies in recent letters to The Financial Post and other papers.

We have our choice: weeding or sneezing. On all counts, health, efficiency, conservation, dollars and cents—weeding should win.

A Core Like Granite

SIR WILLIAM CRAWFORD, Scot, and head of the great British advertising agency that bears his name, was in Canada and the United States recently. Before he sailed he broadcast a message to the people of this continent. In it he said:

> "I am a Scot. I can look at the English and their peculiarities from the stranger's viewpoint. It is a fashion in the world to say that the English are decadent. Some people and some nations have fallen into that error. And it is an error. The English love sport, and they work in and adore their beautiful gardens and they are not absorbed in money-making and soldiering. The English are not transparently efficient, yet they are regular in all they do and they do everything thoroughly. The critic who observes that the outer surface appears soft has misread the English character. The core is like granite—strong, hard, enduring and unbreakable."

With admiration Sir William was able to say that England is today a nation united; a nation quiet, steady and serene; a nation armed and determined to protect the peace; a nation prepared for any eventuality; a nation with no political division; a nation where wages are good and trade expanding; a nation where unemployment is fast receding; a nation looking into the future with steady eyes and a calm mind.

The "Anti-British Financial Post"

SOMETHING like midsummer madness seems to have afflicted that multinominal newspaper, the Saint John Telegraph-Journal and Times-Globe. If it is not madness, it is plain, ordinary dishonesty.

The other day it came out with an amazing statement to the effect that The Financial Post had "openly advocated the severance of Canada from Great Britain." It concluded that The Financial Post "is one of the most un-British institutions in this country."

Those are two of the most ridiculous and foolish statements ever put in print. To accuse The Financial Post, founded and directed by that great supporter of the British connection and Imperial tradition, Col. John Bayne Maclean, of having "advocated the severance of Canada from Great Britain" is as foul a libel as could be concocted.

Categorically, The Financial Post is happy to be able to say that never in its history has it advocated the severance of Canada from Great Britain or the Empire, nor have any of the MacLean Publishing Company's periodicals.

Tracing down this statement in the Saint John paper reveals the curious obliquity of its editorial thinking.

It appears that last March there was a bill in Parliament, introduced by J. T. Thorson, K.C., that would have given Canada the right to declare war independently of Great Britain. The Post was asked to lend its support. But The Post refused flatly. This was no time, we said in this column, for any action on the part of Canada that might be misinterpreted in Europe and give anyone (Hitler, for example) the impression that the Empire was in any way divided.

In discussing the principle of the bill, we suggested that, as a natural sequence of the Statute of Westminster, the matter might ultimately be discussed. We were thinking of a world free from threats of aggression. Already two British Dominions — just as faithful to the British connection as Canada is—have similar legislation on their books.

But whatever the arguments for the Thorson bill The Post was against it and said so.

Now the Saint John newspaper deliberately falsifies the record to make its readers believe that we supported the bill and that in doing so we "openly advocated the severance of Canada from Great Britain."

Of course, the Saint John Telegraph-Journal and Times-Globe does not care a fig about The Post's views on the Empire. It is peeved at The Post for quite another reason. It is angry with a flaming hate because the MacLean Publishing Company has been critical of the Department of National Defense for its incompetence in the rearmament of Canada.

In order to shake public confidence in The Financial Post and other MacLean newspapers, the Saint John paper is indulging in the cheap and dirty game of throwing mud. Any mud will do—even lies and misrepresentations.

Life Companies Keep At It

DECISION of the Canadian Life Officers' Association to continue its campaign of institutional advertising messages to the people of Canada is a demonstration of faith in the sound judgment of an informed public.

Last year the life insurance companies published 40 million messages in the leading newspapers of Canada, including the financial press, the farm press and the top-flight weeklies, as well as the dailies. They stressed the financial protection that life insurance gives to the people of Canada; the social and economic importance of life insurance as an institution; and the value of permanent rather than temporary forms of insurance protection.

No business in Canada enjoys a greater degree of public goodwill than does life insurance. This is due first of all to the character of the "product" and the immeasurable value it has in stabilizing the social and economic life of the country. And it is due, second, to the farsighted efforts of the companies engaged in the business to keep the public informed on the value of life insurance to the individual and to the community.

The life companies believe in selling the public and they believe further in keeping the public sold. Not the least effective quality of their well-directed campaign is its persistence.

Uniting the Radicals

THE suggestion that we need a national government to combat radicalism does not appeal to the Regina Leader-Post at all. It says:

> "Anyone who may contend that you can combat radicalism simply by a form of government, or by means of repression, doesn't appreciate the lessons of history.
>
> "It may be possible to beat radicalism, but it isn't going to be beaten by efforts at repressing it.
>
> "It might be possible to eliminate radicalism in Canada by providing work and opportunity for all. This is the sanest and most constructive approach to social problems."

This is sound comment. And the Regina Leader-Post could have added another point. **If the two chief parties unite, there will still** be an "opposition" in Parliament. A Liberal-Conservative fusion would bring about a union of all the other groups to form an official opposition. The C. C. F.'ers, the Communists, the Social Crediters, the New Democrats (if any are elected) and other smaller radical groups would acquire a status and dignity they are unlikely to win in any other way.

It would be far better for the Liberals and Conservatives to remain separate . . . and to compete against each other in the vigor and courage of their policies.

Let Them Have It

IT IS suggested that the Port of Churchill be given "local management." The Young Liberals of Saskatchewan want Manitoba and Saskatchewan to set up a commission to handle the Hudson Bay Railway and the Port of Churchill.

Why stop at that? Why not sell the railway and the port to these provinces at ten cents on the dollar. Let them operate the enterprises and pay the deficits.

Manitoba and Saskatchewan campaigned for the Hudson Bay line and the port at Churchill. Now the people of the two provinces make practically no use of either.

Driving Out the Loan Sharks

A CARD dropped in parked automobiles in downtown Toronto offers loans at "low rates."

"You get $100 in cash and repay $9.80 monthly for 12 months." This makes it appear that a $100 loan for a year costs only $17.60. But actually the effective charge is at the rate of about 35 per cent per annum.

Many loan sharks charge higher rates than this. Charges representing an interest and expense levy as great as 100 per cent per annum are not uncommon.

When the new Dominion money lenders act comes into force on January 1 the effective maximum rate that small lenders anywhere in Canada may charge will be reduced to 2 per cent per month on the actual amount outstanding on the loan at any time.

This rate may seem, to the uninitiated, to be high. Actually it is reasonable for the service rendered. The bookkeeping, legal and other expenses of making small loans are as large and as necessary a part of the total charge as the actual interest for the money itself.

The new act should have the effect of restricting such lending to the better established and socially-conscious lending organizations and of driving many sharks out of the field.

But it is yet to be proved that even 2 per cent per month is sufficient to cover all the expense items of such institutions, including their valuable home budget services rendered to necessitous borrowers.

Who Is Blocking Germany?

A GERMAN study indicates that the Reich has climbed to second position in world industrial production. Between 1860 and 1900 she climbed from fourth to second place only to drop back after the war. Now she has again achieved that position, ranking behind only the United States and ahead of Great Britain and France.

This German study claims that in the past 25 years Germany (exclusive of recent territorial acquisitions) has increased her industrial production by 27% while United States industrial production has increased by 23% and British by 15%.

The conclusion reached is that the Reich is a far more efficient industrial power than pre-war Germany.

All this may be very true. But how is one to reconcile these claims of rapid industrial advance in Germany with the parallel claim that Germany is unable to import basic raw materials and foods; that she is crowded out of markets and is otherwise oppressed by Britain, the United States, France and other industrial countries?

A nation that is operating at full capacity in all branches of industrial production, that has strengthened its "old dominant position" in European manufacturing has little to complain about.

Editorials in Brief

An extensive study by the German Institute for Business Research reveals that in the production of 23 basic industrial materials Canada is first among the nations of the world in mechanical woodpulp; second in paper; third in aluminum and cardboard; and fourth in zinc, lead, calcium cyanimide and electric power.

The study makes no reference to nickel, asbestos, gold or any food products.

Sayings of the Week

"Goebbels, for all his hissing, is a goose."—*J. L. Garvin.*

* * *

"This is a mad world. But there is some method in the madness."—*Walter Lippmann.*

* * *

"Compared with Hitler, Napoleon was a little gentleman."—*Vice-Admiral Gordon Campbell, V.C.*

* * *

"It is never possible, by political mechanisms alone, to achieve important social changes."—*John Foster Dulles.*

* * *

"Any ordinarily intelligent man can understand, but it needs wisdom to use understanding."—*Earl Baldwin.*

* * *

"America's defense in the Pacific includes of necessity the defense of the Canadian coastline."—*Senator Elbert D. Thomas.*

* * *

"Not only do we mean to fight if there is any more aggression of any sort, but we have the power now to do so."—*Air Marshal Lord Trenchard.*

* * *

"Isolationist sentiment in Canada seems to me wholly unreal. It is frequently no more than a means of criticizing British policy."—*Professor W. A. Mackintosh.*

* * *

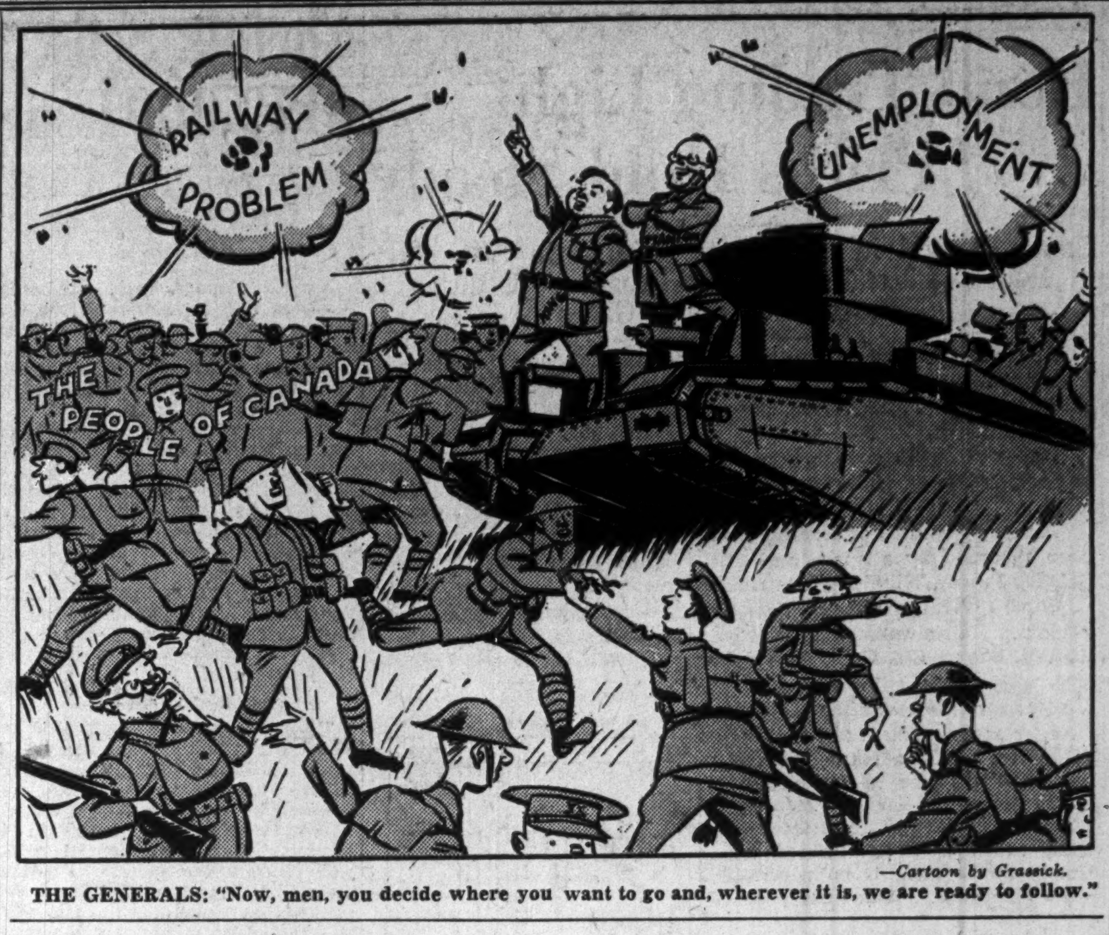
"The young people of this nation are year by year becoming less willing to listen to the preachers of pessimism, distrust and lack of confidence."—*Sir Edward Beatty.*

* * *

"It is my opinion that if this Dominion could co-ordinate all its economic opportunity, then all the loose money in the United States could be absorbed in it like water on blotting paper."—*Stephen Leacock in Barron's.*

* * *

"If Premier King were a real live person with a blood circulation and ordinary breathing apparatus, he would, without his habitual hesitation, take away the 'honorable' from Ian Mackenzie's name."—*Jameson Bone, Mayor of Belleville.*



—*Cartoon by Grassick.*

THE GENERALS: "Now, men, you decide where you want to go and, wherever it is, we are ready to follow."

Post-Scripts . . . . .

Pheasant-Grower

Earle Spafford, the new president of Imperial Tobacco Co. of Canada, although a Canadian by birth, started his career in the tobacco business in 1914 as a salesman for the Melachrino Co. of New York.

EARLE SPAFFORD

As with most men of his generation the first phase of his business career was rather short, being interrupted by the Great War. In 1917 he went overseas in the capacity of a gunner with the McGill Siege Battery of the Canadian Expeditionary Forces.

On his return from overseas he re-entered the tobacco business as vice-president and general manager of Tobacco Products Corp. of Canada, and in 1921 was elected president of that concern. When Tobacco Products Corp. of Canada was merged with Tuckett Tobacco Co. in 1923 he became vice-president and director of sales of the latter company. Control of Tuckett Tobacco Co. was acquired by Imperial Tobacco Co. in 1930 and the following year Mr. Spafford was appointed sales manager of Imperial Tobacco. In 1932 he was elected a director and vice-president of Imperial, which position he held until his recent rise to the president's chair.

"Spaff," as he is known to his wide circle of friends, is a native of Lennoxville, Que., and was educated at Bishop's College and McGill University.

His main interests outside of business are horses, fishing and hunting. Many of his week ends are spent at his farm and country residence at Knowlton, Que., where he keeps a number of riding horses. Another of his hobbies at the farm is the raising of pheasants.

His love for hunting and fishing often takes him into the wilds of northern Quebec where he maintains a hunting lodge. He also goes salmon fishing at every opportunity.

* * *

Quebec's Amyot

In Quebec recently we had the pleasure of meeting for the first time, Col. Adjutor Amyot, recently appointed to succeed Sir George Garneau as chairman of the National Battlefields Park Commission which administers the Plains of Abraham and other historical properties in that city.

ADJUTOR AMYOT

Col. Amyot began his business career at the age of 21. As the heir apparent to his father's prosperous and well-established business — Dominion Corset Co.—he was sent to the United States, then out West and through to Australia, New Zealand and finally to Europe, to establish contacts and make friends and learn about customers and business conditions at first hand. Col. Amyot's father, the late Hon. George E. Amyot, allowed his son every facility to study leisurely and under the best possible circumstances, the countries of the Old and New World. It was a rich and royal experience.

This business education followed schooling in Upper Canada College which terminated in 1902. As a result of this training in one of Canada's leading English prep. schools, Col. Amyot has as a valuable legacy, a host of friends in important positions throughout the length and breadth of Canada.

* * *

The Parks Commission, which Col. Amyot will now administer, dates back to 1908 at the time of the tercentenary celebrations in Quebec. The mayor of the city, Sir George Garneau, appointed a committee to finds ways and means of celebrating the anniversary. As a result there developed this commission, which has invested something over $10 millions in preserving and improving the historic plains at the west of Quebec city. The commission now spends some $200,000 annually. Original subscriptions totalled about half a million dollars of which Ontario, Quebec, the Federal and British Governments all contributed.

At the present time the area under administration totals some 300 acres. It was on this property that Their Majesties listened to 30,000 French-Canadian school children in their drive around Quebec City. Wolfe's Cove, where the King and Queen first touched Canadian soil, was originally part of the whole scheme of reclamation and conservation carried on by the commission.

To Col. Amyot the new responsibility will be a delightful and stimulating experience. He is looking forward immensely to the opportunity of planting trees and flowers, making new plans and improving old ones.

Col. Amyot has a beautiful home at Murray Bay, where he has been each year since childhood. In the winter he spends considerable time at Palm Beach. His hobbies are fishing, riding, golf, badminton. He has a boy of 24 now at Harvard and two girls.

* * *

He Comes East

"When a man bites a dog . . . ." And when a businessman comes from the West to the East, that, too, is news.

John W. Glenwright was originally a Maritimer. Then he became a westerner. He built up the Commercial Life in Edmonton. With that company changing its headquarters to Toronto, Mr. Glenwright will now live in Central Canada.

The Edmonton Journal pays this editorial tribute to him:

> "After Mr. Glenwright's father was killed when attempting to rescue miners imprisoned in the Drummond Colliery disaster in Nova Scotia, Mr. Glenwright came west with his mother, as a child, and grew up with the country. He lived a quarter century in Winnipeg, moved to Calgary in 1908 and came to Edmonton 10 years later. Since that time he has taken a leading part in the community life of the city. He has served as president of the Edmonton Chamber of Commerce, Kiwanis Club and northern branch of the Alberta Motor Association, always taking an active part in these and other organizations."

* * *

Frontiersmen

One of the first uniforms to greet Their Majesties when they landed at Quebec recently was the natty blue tunic and chain mesh shoulder pieces of the Legion of Frontiersmen.

COL. FITZ GERALD

In all probability Their Majesties know the Frontiersmen better than do most Canadians. Canadians confuse this unusual organization with the Royal Canadian Mounties. The Frontiersmen uniform is almost identical with that of the Mounties except that the former wear a blue tunic and the latter red. Hats are the same, as are leather gauntlets and riding boots. Mounties, however, wear blue pants, Frontiersmen wear khaki.

The Legion of Frontiersmen was founded in London, England, in 1904 by Captain Roger Pocock, a former member of the Mounties. It was intended originally as a voluntary service organization with membership restricted only to ex-members of the force. Later retired army officers were included and after the Great War this was extended to any man who had served the British Empire on any frontier and who had travelled outside England. During the war the Legion sent its own battalion to the front—at its own expense. Some 9,000 of its membership was killed. The Legion is directly affiliated with the R.C.M.P.

* * *

The guiding purpose of this voluntary, self-supporting organization is the maintenance of a thoroughly trained and disciplined band of men available to render service to their country, whenever and wherever needed. Commands and squadrons are maintained in all parts of the Empire. Total membership runs into tens of thousands. Imperial headquarters are still maintained in London.

Last year, Canada was divided into two commands—Eastern and Western. There are 700 members in the Eastern Canada Command. They are under the control of Commander M. L. Fitz Gerald. Under him, there are nine districts, each in charge of a District Officer Commanding, and these districts include 72 squadrons.

The Western Command has 300 men in uniform.

In private life, Col. Fitz Gerald is vice-president of the Donnacona Sales Corp. and sales manager of the Donnacona Paper Co. The Fitz Gerald family have been long associated with the militia in various branches. One of the Colonel's brothers is himself a Mountie. Col. Fitz Gerald, who has been in the Canadian militia since 1904, served overseas with the Canadian infantry and later with the Royal Air Force.

Furthering the scope and influence of Frontiersmen in Canada has become the main hobby of the Colonel's life. He detailed 415 of his men for special duty in connection with the arrival of the Royal party at Quebec. A picked squad of 100 moved on to Ottawa and did special duty there during the two and a half days Their Majesties were at the Capital. A squad of 200 helped out at Montreal. Almost everywhere the train stops, uniformed or auxiliary members of the Legion will be available to assist the local police. In every case this service has been rendered at the expense of the Frontiersmen themselves.

* * *

The Legion of Frontiersmen has been growing quietly but rapidly in Canada in the last year or two. Discipline and standards are very strict. In Quebec City alone some 350 applications for membership have been refused.

Apart from qualifications already listed, all members must be British subjects. Minimum age is 25 with the average of admission not less than 30. No one is taken who is ordinarily eligible for the militia, as the Legion aims to co-operate rather than compete with that body. In fact the Legion has and will recruit for the militia, if asked. Applicants must weigh at least 145 pounds and be at least 5 feet 7½ inches in height. No one with a criminal record or conviction can join.

Enrolment fee is in the neighborhood of $150. This includes the cost of a uniform. The organization is entirely self-supporting, but provision is made for installment purchasing of these uniforms if necessary. Special duty such as the Legion is performing during the Royal Visit is being financed entirely by the organization itself, without a cent of money from governmental or other sources. In September a picked group of 150 will travel to England at their own expense to attend the annual inspection in London. His Majesty the King will be the inspecting officer.

One aim for the organization, which appeals especially to Col. Fitz Gerald is to get Canadian industrial organizations interested in the movement as an aid to discipline and control in time of emergency.

Training includes cavalry work, police training and duties, St. John's ambulance work, signalling, rifle and revolver shooting and gas defense. In times of emergency the Legion members stand ready to be called on at any hour of the day or night.

At the ghastly asylum fire at Beauport, P.Q. not long ago, the Legion received an emergency call at 5 o'clock in the morning to render aid. Within an hour, 92 men reported for duty at the fire, in uniform. They remained on duty for 12 hours. Col. Fitz Gerald spent many weeks in hospital as a result. He caught a bad cold which developed into pneumonia. All part of the day's work to a Frontiersman.

Stop Me If . . .

The young man of the family, just finished with his Political Economics course, was heard to pray, "And, please, God, make gold worth $50 an ounce."

Shocked, his father said severely, "John, I hope you haven't been gambling in the stock market."

"No, Dad, but that's the answer I gave in my examination."

In the Mail . . .

Campaign Against Ragweed

Editor, The Financial Post:

A year ago the Province of Ontario initiated and directed a vigorous campaign against ragweed and other disease-producing weeds, and a commendable beginning was made by the City of Toronto, Forest Hill and other municipalities toward their eradication.

The eradication of disease-producing weeds concerns not only the interest and welfare of the province at large but especially the health of large numbers of the population susceptible to hay fever, seasonal asthma, bronchitis, sinus disease and other allergic conditions.

Leading authorities have estimated that from 3% to 5% of the people of the United States and Canada are hypersensitive to wind-borne pollens; in badly infested areas the percentage is much higher and has been rapidly increasing in recent years. Over three millions of the population are victims of late summer and early autumn hay fever, more than 80% of the cases being due to the pollens of ragweed.

Over 30% of hay fever patients eventually suffer from asthma and many develop sinus disease, bronchitis or other respiratory complaint.

Autumnal hay fever and its associated diseases may be controlled by the eradication of ragweed and other hay fever-producing weeds.

The organization of a Canadian Hay Fever Prevention Association, with provincial branches, would enable them to exercise their influence most effectively. In order to avoid unnecessary multiplication of associations, it would be better to organize under some existing body such as the Health League of Canada, the Canadian Public Health Association, Provincial Health Officers Association or other health organization capable of assisting in a great public service.

The great tourist traffic and the summer resort business of the province are being menaced by the spread of hay fever-producing weeds and the diseases incident thereto.

Public spirited, intelligent, lawabiding citizens should not have to suffer on account of the neglect or carelessness of selfish neighbors who permit disease-producing weeds to flourish on their premises. Weed inspectors have an important duty to perform in bringing delinquents to time and seeing that the law is enforced.

The collaboration of the department of education in the Government's campaign is another departure with possibilities of far-reaching importance. Everyone desirous of giving effective help should first be able to recognize ragweed on sight, something which perhaps not one in a hundred is able to do at the present time.

An educational campaign should familiarize teachers, pupils, boy scouts, girl guides and other groups with the appearance of the weed at different stages of its growth.

Carefully prepared, descriptive literature with charts and pictures should be distributed, and the weeds themselves should be demonstrated to teachers, school children and policemen; at golf clubs, agricultural fairs and by exhibits in public places. I am informed that such an exhibition is being provided for at the Toronto exhibition this fall, thus setting an example which should be followed in other places.

The control of ragweed and other noxious weeds will require years of well organized effort, in which the co-operation of all the provinces as well as of the adjacent American states will be necessary if satisfactory results are to be hoped for.

H. B. ANDERSON, M.D.

Toronto.

As Others See Us . . . .

No Second-Hand "U. S. A."

Fort Erie Times-Review

Reiterating a useful bit of advice, The Financial Post suggests to those Canadians engaged in the business of catering to American tourists that there has been an increasing tendency in recent years to make Canada a sort of replica of the United States in an effort to attract U. S. tourists. The principal offenders are tourist camps, hotels and stores, which come in regular contact with tourists.

The best means of attracting tourists is to provide comfort together with something that is distinctly Canadian. These visitors can eat American foods and see American flags every day of the year. When they come to Canada they want something different, something foreign to their everyday existence.

Leo Dolan, the director of the Canadian Travel Bureau at Ottawa, has been fighting this evil for years, and as a man well versed in what tourists want, those catering to this trade will do well to heed Mr. Dolan's advice and keep their premises uniquely Canadian, and not as The Financial Post puts it: "a second-hand edition of the United States."

The Argument Holds

Brantford Expositor

Observing that National Government is being advocated in Canada and that several newspapers have recently come out in support of the idea, The Financial Post, Toronto, is not prepared to grant that this is the only remedy. It does, however, express agreement with The Expositor as to the failure of both Liberal and Conservative Governments, during the past decade, to give needed national leadership.

The point of difference, as between The Financial Post and The Expositor and other concurring papers, then, is over the proper "way out" of the impasse.

Accepting The Financial Post's affirmation that the real solution lies in national leadership, The Expositor is sanguine enough to maintain that the capacity for leadership is there but that it has been held in restraint to suit the exigency of party strategy. Such considerations would be swept aside under the forthright policy of a strong National Government intent on dealing with existing difficulties, not in the studied interests of this or that political group, but in the interests of the welfare of all the people.

Week in Business

Business Volume Held At Satisfactory Level

Various Indices Including Export Trade Point Upward —Crop Relieves Unemployment in West— Advance in Stocks Encouraging

With the midsummer season half over, Canadian business continues to make a satisfactory showing. General volume of trade is well maintained. Important indices such as railway earnings, newsprint production and foreign trade are showing increases. Carloadings have been rising steadily and while decreases from a year ago still appear in some divisions, total figures in recent weeks have been running well above 1938 levels.

The gains in our all-important export trade have been impressive. Total exports in June at $93 millions were almost 40% above 1938.

The expansion in sales to the United States was notable, the total of $43.2 millions for June being more than double the figure for June, 1938. While the new trade treaty has had much to do with this expansion, improvement in general business across the international line has also been a powerful factor. A large volume of construction projects and a rise in durable goods production have overcome the depressing factors which affected the situation earlier.

An increase of over 18% in our exports to the United Kingdom also was no doubt due to better business there. Due to all factors The Financial Post Business Index in June rose to 118.9 from a revised figure of 116.3 in May and 110.2 a year ago.

• • • •

The crop outlook on the whole continues favorable. One by-product of this is indicated in the reports from Winnipeg that owing to the number of jobless men leaving Winnipeg to work on the farms, it was expected that all single able-bodied men would shortly be off the relief rolls. In Ontario the value of the tobacco crop is estimated unofficially at over $20 millions. This places it, among the field crops of the province, on a par with wheat and second only to hay and clover in monetary value.

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A burst of strength on the stock markets, which gained them a place on the front pages of the newspapers for the first time in many weeks, is regarded as more than reflecting greater confidence. It also has had an encouraging effect on the business mind. While nobody knows what may happen in Europe in the next two months, the rise in security values is interpreted by many as indicating a belief, despite prevailing uncertainty, that a peaceful solution will be found to Danzig and other problems.

Business Indicators

Current business well. maintained, with The Financial Post Business Index for June at 118.9, up 2.6 points from previous month and 8.7 points above 1938. D. B. S. weekly index up slightly from previous week and down slightly from year ago.

Railway earnings for third week of June higher than year ago for both roads; cumulatives for year to date also higher.

Automobile production shows decline in passenger cars for June and year to date; truck production higher for month but lower for six months. Total exports up for month, lower for six months.

Sea fisheries catch and landed value in June higher than year ago; total catch for six months up 22.3%, total landed value down 1.5%.

Newsprint exports in June up approximately 23% from year ago.

Nickel and copper production totals for May show good increases over year ago.

Exports for June and for first six months up substantially over 1938.

Cigarette consumption higher for June and for first six months.

Bond sales in June over 60% above 1938.

Trend of business shown by The Financial Post Business Index and following key factors, new items for week being marked thus ▲.

	July 15	July 8	July 1	June 24	July 16/38
Commodity prices	72.8	73.2	73.3	73.3	79.2
Weekly index	107.5	107.3	107.4	107.3	108.3
Financial Post index	▲118.9	■116.3	113.2	112.1	110.2
Financial Post index	....	■116.1	113.2	112.1	110.4
Retail index no. of sales	....	81.1	79.2	76.3	78.5
Dept. store "	▲72.0	75.2	75.7	71.7	74.4
Wholesale "	....	101.5	87.1	87.4	95.5
Country (% change fr. last yr.)	....	....	—2.8	—7.6	....
Employment D.B.S. Index—					
	June 1	May 1	Apr. 1	Mar. 1	Year Ago
All industries	113.1	106.2	104.9	108.5	111.9
Manufacturing	111.4	108.4	107.1	107.0	112.3
Wage earners, No. (000)	....	....	2,186	2,161	2,163
Living costs¶	▲$16.92	$17.02	$17.04	$17.07	$17.43
			Jan. 1 to date		%
Railways—	1939	1938	1939	1938	Change
Carloadings, week (July 15)	▲48,448	43,864	1,206,041	1,227,042	—1.7
C.N.R. gross, week (July 21)	$ ▲3,536,886	3,296,205	98,023,782	92,203,245	+6.3
C.P.R. gross, week (July 21)	$ ▲2,696,000	2,519,000	69,387,000	68,626,000	+1.1
C.P.R. net revenue (May)	$ 1,906,944	422,118	4,288,025	2,169,620	+97.7
C.N.R. net revenue (May)	$ 1,473,054	●478,614	●493,321	●4,909,400	....
Iron and Steel (May)—					
Pig iron production (tons)	57,746	71,602	243,716	339,783	—28.3
Steel ingots and castings prod. (tons)	121,413	114,859	472,239	561,340	—15.9
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (May)	14,353	14,056	45,798	51,628	—11.3
Factory output (June)	▲10,585	11,014	69,968	76,102	—8.0
Trucks and Buses:					
Domestic sales (May)	3,505	3,808	11,153	13,184	—15.4
Factory output (June)	▲3,930	3,718	23,787	26,056	—8.7
Exports (June)	▲6,046	5,806	34,763	34,971	—0.6
Financing (May):					
Used	$ 4,832,096	4,829,349	13,809,068	15,247,853	—9.4
New	$ 4,500,635	5,318,246	12,242,106	16,408,214	—25.4
Construction—					
Contracts awarded (June)	$ 25,196,300	20,924,900	83,445,900	80,652,000	+3.4
Cement, bbls. (Apr.)	273,969	364,096	716,886	873,104	—17.8
Agriculture—					
Flour prod., bbls (May)	1,191,778	977,740	5,634,476	4,541,922	+24.0
Flour exp., bbls. (June)	401,189	299,503	2,223,298	1,651,331	+34.6
Wheat exp., bus. (June)	14,637,016	7,275,376	51,313,467	25,783,863	+99.0
Cattle sales (June)	46,953	50,326	336,468	323,849	+3.9
Hog sales (June)	44,366	45,593	315,974	366,244	—13.7
Sea Fisheries: (June)‡					
Catch, cwts.	▲968,490	871,660	3,847,520	3,144,290	+22.3
Landed value	▲2,235,320	2,144,340	6,024,280	6,118,210	—1.5
Newsprint (tons)—					
Production (June)	240,545	201,694	1,341,064	1,259,871	+6.4
Exports (June)	▲244,635	194,520	1,215,118	1,103,286	+10.1
Mining and Oils—					
Coal prod., tons (May)	1,124,433	1,021,360	5,691,341	5,983,138	—4.8
Coal imports, tons (May)	793,212	1,342,233	2,494,295	3,359,987	—25.7
Gold prod., fine oz. (Apr.)	403,795	368,439	1,623,303	1,446,386	+12.2
Nickel prod., lb. (May)	▲21,595,362	18,620,908	90,046,906	92,667,972	—2.8
Copper prod., lb. (May)	▲55,364,021	48,429,331	246,654,672	243,558,959	+1.2
Crude oil prod., bbls (May)	▲713,450	566,086	2,544,472	2,381,771	+6.8
Crude oil imp., bbls. (May)	3,643,657	3,801,000	9,753,514	9,519,708	+2.0
Electric Power Output (May)—					
Total monthly m.k.w.†	2,333,235	2,081,935	11,497,674	10,745,222	+7.0
Foreign Trade—					
Imports (May)	$ 72,957,808	67,123,037	257,369,917	277,745,537	—7.3
Exports (June)	$▲94,501,380	78,307,834	467,262,255	415,679,647	+12.4
Other Industrial Factors—					
Dressed lumber exp.:					
M. bd. ft. (June)	▲205,851	166,177	929,854	756,092	+22.9
Shoes, prod., pr. (May)	2,038,517	1,923,773	9,399,098	9,232,083	+1.8
Cotton imports, lb. (May)	13,113,000	11,860,000	38,255,000	54,560,000	—29.8
Raw rubber imp., lb. (May)	5,903,731	5,700,660	24,367,414	18,081,374	+34.7
Cigarette cons. (June) No.†	▲657,890	631,524	3,293,214	3,231,858	+1.9
Sugar manufactured, lb.§	94,105,028	94,408,309	301,950,913	283,874,458	+6.3
Finance—					
Bank debits (May)†	$ 2,839,207	2,461,867	12,302,222	11,854,491	+3.7
Bond sales (June)	▲$105,457,968	65,510,687	796,070,231	627,102,237	+26.9
Life insurance (May)	$ 33,657,000	30,342,000	156,777,000	154,929,000	+1.19

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.

†000's omitted. §For four weeks to June 17, 1939.

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

¶For average family per week, food, fuel, rent. ■Revised. ●Deficit.

A Booklet About Bonds

The 1939 edition of our booklet "Canadian Corporation Issues," now available, gives information on securities of sixty public utility and industrial companies.

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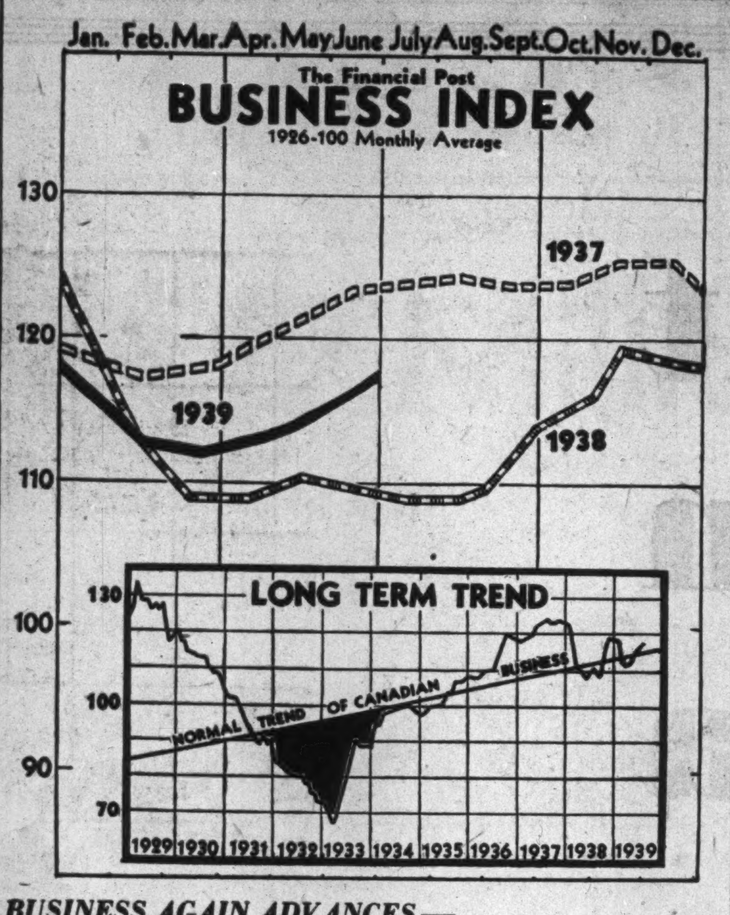

BUSINESS AGAIN ADVANCES—

Canadian business made further progress in June, although some unevenness developed. The Financial Post Business Index moved up to 118.9 from 116.3 at the end of the previous month and 110.2 a year ago. Substantial gains were shown by the cotton textile, forestry and construction industries and in some divisions of mining. Shipments of gold from Canadian mines were larger than in any other month on record except last March. Copper and zinc exports exceeded previous records for the month of June. Export trade generally showed a further advance after seasonal adjustment, contributing to a strengthening of the economic situation.

MAJOR ECONOMIC FACTORS

		June		Change	May
		1939	1938	1939 %	1939
F. P. Business Index*		118.9	110.2	+7.9	116.3
Common stocks*		97.0	100.0	—3.0	99.2
Wholesale prices*		73.3	80.1	—8.5	73.7
Capitalized bond yields*		166.4	161.8	+2.8	160.3
Bank deposits*		124.8	121.3	+2.9	126.1
Copper exports	cwt.	422,315	421,034	+0.3	649,101
Nickel exports	cwt.	159,800	94,152	+69.7	227,643
Zinc exports	cwt.	332,220	168,758	+96.9	259,724
Asbestos exports	tons	23,844	16,306	+46.2	12,176
Sugar manufactured	lb.	94,105,028	94,408,309	—0.3	98,295,223
Cheese production	lb.	22,050,271	22,157,229	—0.5	10,969,266
Butter, creamery, production	lb.	40,943,551	41,763,804	—2.0	27,674,911
Crude rubber imports	lb.	5,079,246	7,264,134	—30.1	5,905,757
Cotton consumption	lb.	10,687,601	9,006,690	+18.7	9,339,744
Newsprint production	tons	240,545	201,694	+19.3	250,015
Planks and boards exported	M ft.	205,851	166,177	+23.9	165,539
Shingles exported	squares	269,431	37,431	+619.8	40,332
Steel ingots production	tons	107,902	109,401	—1.4	121,413
Pig iron production	tons	52,805	64,375	—18.0	57,746
Automobile production	no.	14,515	14,732	—1.5	15,706
Petroleum imports	gal.	155,323,000	137,802,000	+12.9	127,528,000
Exports	$	94,501,380	78,307,834	+20.7	94,882,594

* 1926 = 100.

Keeping Posted

Veteran Business Commentator Shares His Wide Reading With Businessmen

BY J. C. KIRKWOOD

JOHN C. KIRKWOOD

The T. Eaton Company's main store in Toronto is said to have presented problems in air circulation, temperature and humidity control more complicated than any other building. Sections of the store are five, eight and nine stories high and cover a whole block. It has twelve entrances ranging from 20 to 50 feet width.

Sales areas inside store are interspersed with numerous batteries of elevators, escalators and stairways. Sales persons may be said to be stationary, while shoppers are always on the move and are clad for out-of-doors temperatures. Lighting has an effect on temperatures. These and other factors made a complex problem in respect to air-conditioning the store.

How this problem was successfully dealt with is told in the June issue of Modern Power and Engineering. Installed in this store are 200 unit coolers. Through 4,340,000 cubic feet of store space these coolers circulate cooled and humidity-controlled air. Even a layman could read this article in Modern Power and Engineering with absorbed interest.

* * *

Brewing History

Most Canadian breweries have interesting historical backgrounds, says Canadian Hotel Review. The founder of the Labatt brewery in London was J. K. Labatt, who came to Canada from Ireland in 1830, at the age of 27. At the age of 44 he founded the brewery bearing his name. Now the third generation of the Labatts carry on the business. John S. Labatt is president, and his brother, Hugh, is vice-president and secretary-treasurer.

The founder of Molson's was John Molson, who came to Canada at the age of 22, from Lincolnshire, England, and who established the Molson brewery near Montreal in 1786. The present head of Molson's is Herbert Molson, great-grandson of the founder.

The first Canadian brewery was established in Montreal by Intendant Talon, in 1668. On the site of this first brewery there stands today the Boswell brewery.

* * *

Drug Store Stability

Here's a remarkable thing: The drugstore of Parker & Co., Owen Sound, has occupied the same site ever since its founding in 1856. A wood-cut illustration of the front of this store as it was 60 years ago is reproduced in the July 15 issue of Drug Merchandising. Even in those remote days drugstores carried a highly diversified stock. Thus, Parker's sold oils, paints, varnishes, teas, tobacco, oil lamps, garden seeds, wines and liquors, in addition to what may be called regular drug lines.

* * *

Non-Royal Purple

In the eyes of the law, using a tractor to take purchased goods home to the farm, or to haul grain to an elevator, is not the same as using the same tractor to move some equipment from one farm or field to another, or to haul grain on the farm on which it is grown. It is a matter of the color of gasoline which the farmer uses. In the Regina region farmers use a purple gas in their tractors when they are performing farm operations; but to use this same gas in a tractor used for hauling purchases home or taking produce to market, is illegal. Also, it would be a transgression against the law to use purple gas in one's automobile; the farmer must use taxable gas.

In telling about instances of fines levied against farmers for using the wrong gas, Canadian Automotive Trade implies that a farmer can be two persons—a farmer pure and simple, and a non-farmer driving a motor car or a tractor on the King's highway.

* * *

Electrical Strides

Canada's first electric generator was installed in 1883 at a textile plant at Cornwall. It was used for lighting. Here's what a local newspaper said of this innovation at the time:

> "......lighted for the first time by Edison electric light. The objection which has been in many instances fatal to its success, is a too intense and flickering brilliancy. We agree with a leading English authority that electric light has had its day."

In their report to Hardware and Metal on the recent Canadian Electrical Association meeting at Digby, N.S., J. S. Keenan and H. H. Rimmer, both connected with Canadian General Electric Co., Toronto, emphasized that the common objective of the members of the Association is:

> To secure the fullest possible use of electricity in the home for good lighting, cooking, refrigeration, water heating, home laundry, dishwashing, ventilation and automatic heating.

It is stated by these writers that the consumer price of refrigerators and radio sets has fallen 50% in the past ten years, and the price of lamps (bulbs) has fallen by 65% since 1921.

* * *

Ways to Save

How modern plant equipment reduces costs and increases both sales and profits is told in a special article in the June issue of Canadian Machinery and Manufacturing News. This article consists of a chain of many "fact" stories or cases, and requires a total of 28 pages for both text and illustrations. Plant engineers undoubtedly will find this presentation of what special machines do to improve and quicken output most instructive.

* * *

Protected Prices

W. H. Karn, president, Ontario Retail Druggists Assn, had a good deal to say at the recent annual convention of the association against the indiscriminate promotion of branded merchandise whose resale price is not protected. He pointed out that a moderate profit margin on a fast turnover advertised brand would pay the druggist better in the long run than a large margin on a slower-moving, unadvertised product, and that it was to the advantage of the trade to push reputable national brands rather than items for which demand is slow. As reported in Drug Merchandising, Mr. Karn said, "By giving good support to protected advertised brands which are marked in a manner fair to the retail trade, we can show other firms that that policy pays."

At the same convention, A. A. Brown, president, Toronto Retail Druggists Association, expressed the fear that pharmacists may lose their professional identity in the maze of merchandising activities. "Our clerks must be trained," said Mr. Brown, "to convey to our customers that in a drugstore we have knowledge and service to offer vastly different from and more informative than any other type of retail business."

The training of sales persons in all classes of retail establishments, in relation to management, salesmanship and merchandise control, is sadly underperformed in Canada and in other countries; so one is glad to see the leaders in retailing awakening to the importance of all-round staff training.

* * *

What Make Costs

All industrialists know that it costs more to sell products than it does to make them, speaking broadly. A recent survey brought out that about 59 cents of the consumer's dollar goes for the services involved in distribution, and only 41 cents for the services involved in production—including the cost of materials.

There has been a very striking increase in the proportion of gainfully employed workers since 1870, engaged in distribution, as compared with the proportion engaged in production. In 1870 among all gainfully employed workers, approximately 75% were employed in agriculture, manufacturing and other production activities, while 25% were engaged in distribution and service activities. By 1930 the workers in production on this continent had dropped to 50% of the total, while the proportion of workers in distribution and service activities had doubled.

INDUSTRIALIST TOURS WEST

John R. Read, president of the Canadian Westinghouse Co., is visiting the principal district offices of the company in the West. While in Vancouver, he will attend the annual convention of the Canadian Transit Association, later going on to San Francisco to attend the convention of the American Transit Association.

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TO SERVE
EVERY BRANCH
OF CANADIAN INDUSTRY

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The accompanying list shows some of the wide range of quality products which are made in the various departments of our modern plant to serve all branches of Canadian industry.

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MONTREAL MANAGER

Keith B. Crombie, who has rejoined McConnell, Eastman & Co. as manager of the Montreal office. Previously a member of the Montreal staff for some years, Mr. Crombie has had wide advertising experience in both Canada and the United States. During the past six months he was on the staff of The MacLean Publishing Co. magazine promotion department.

Southern Canada Power Area on More Active Scale

From Our Own Correspondent

MONTREAL.—Industrial concerns in Southern Canada Power Co.'s territory are showing increased activity and expansion, according to the report mailed to shareholders. While prospective American industries are showing considerable interest, the report continues, the generally unsettled condition of world affairs retards any commitments.

The distribution systems at Bedford, St. Sebastien, Stanbridge Station and other municipalities in the Bedford district have been rehabilitated and considerably increased in capacity.

Construction work is well under way on a transmission line and distribution project to bring service to the municipalities of St. Anne de Stukeley, North Stukeley, Lawrenceville, Valcourt and Racine, which initially will add some 70 street lights and 175 customers to the list of those served by the company.

Foreign Exchange

AT TORONTO AND MONTREAL

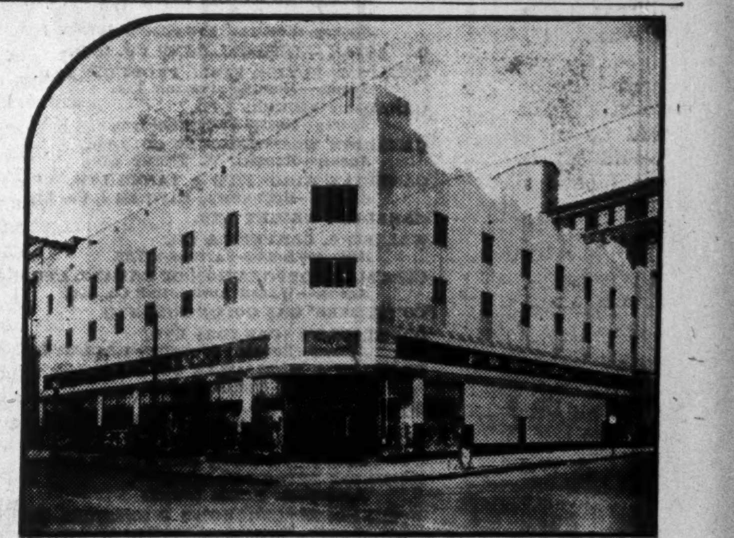
U. S. Dollar	High	Low
July 24	1.00 5/32	1.00 3/32
July 22	1.00 5/32	1.00⅛
July 21	1.00 5/32	1.00 1/16
July 20	1.00⅛	1.00 3/32
July 19	1.00⅛	1.00 3/32
July 18	1.00 5/32	1.00⅛

U. K. Pound	Closing	Last Year
July 24	4.68¾	4.93¾
July 22	4.68¾	4.93⅝
July 21	4.68¾	4.93¾
July 20	4.68⅞	4.93⅝
July 19	4.68¾	4.93⅝
July 18	4.68⅞	4.94⅞

Other Currencies, July 24

Australia	3.75⅜	Italy	.0526¾
Belgium	.1701	Japan	.2735
Denmark	.2093½	Jugoslavia	.0231¼
France	.0265¼	N. Zealand	3.78⅜
Germany	.4017	Norway	.2356
Greece	.0086	S. Africa	4.68⅛
Holland	.5368	Sweden	.2415¾
Hungary	.1973	Switzerland	.2260⅝
India	.3501¼	Hong Kong	.2865

MODERN BUSINESS BUILDS....



New F. W. Woolworth Store in Montreal, P.Q. Architects, F. W. Woolworth Engineering Staff in association with Archibald & Illsley, Montreal; General Contractor, Richard & E. J. Ryan; Electrical Contractor, Century Electric Co. View above shows Westinghouse-Turnbull Electric Stairway of modern design. Two Westinghouse Circuit Breakers form part of the Electrical Substation in the basement.

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Few enterprises can show a more successful record of progress than the F. W. Woolworth Company, whose stores are as intriguing as any Department Store. To assure the easy flow of buying public through this building, a smoothly-running stairway of the most modern design was selected. This Westinghouse-Turnbull Electric Stairway inspires confidence in the most timid shopper. It looks what it is . . . safe, solid, sure, yet swift. Other Westinghouse Electrical Apparatus contributes to the complete efficiency of this up-to-date store.

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Westinghouse

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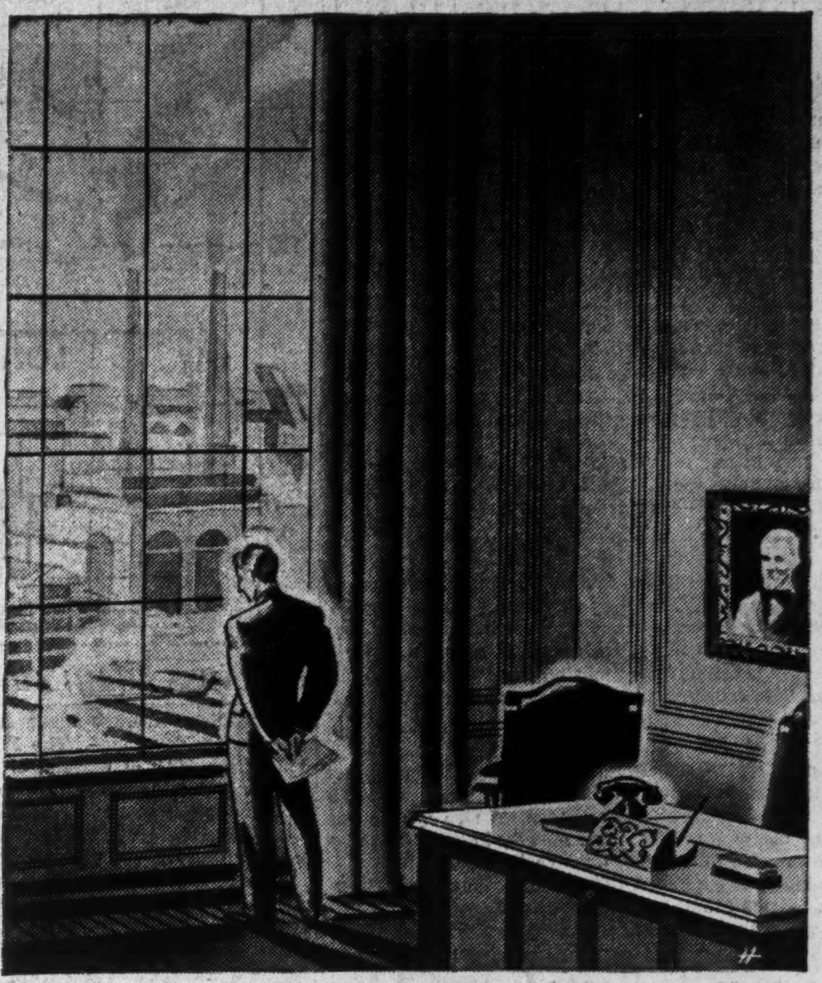
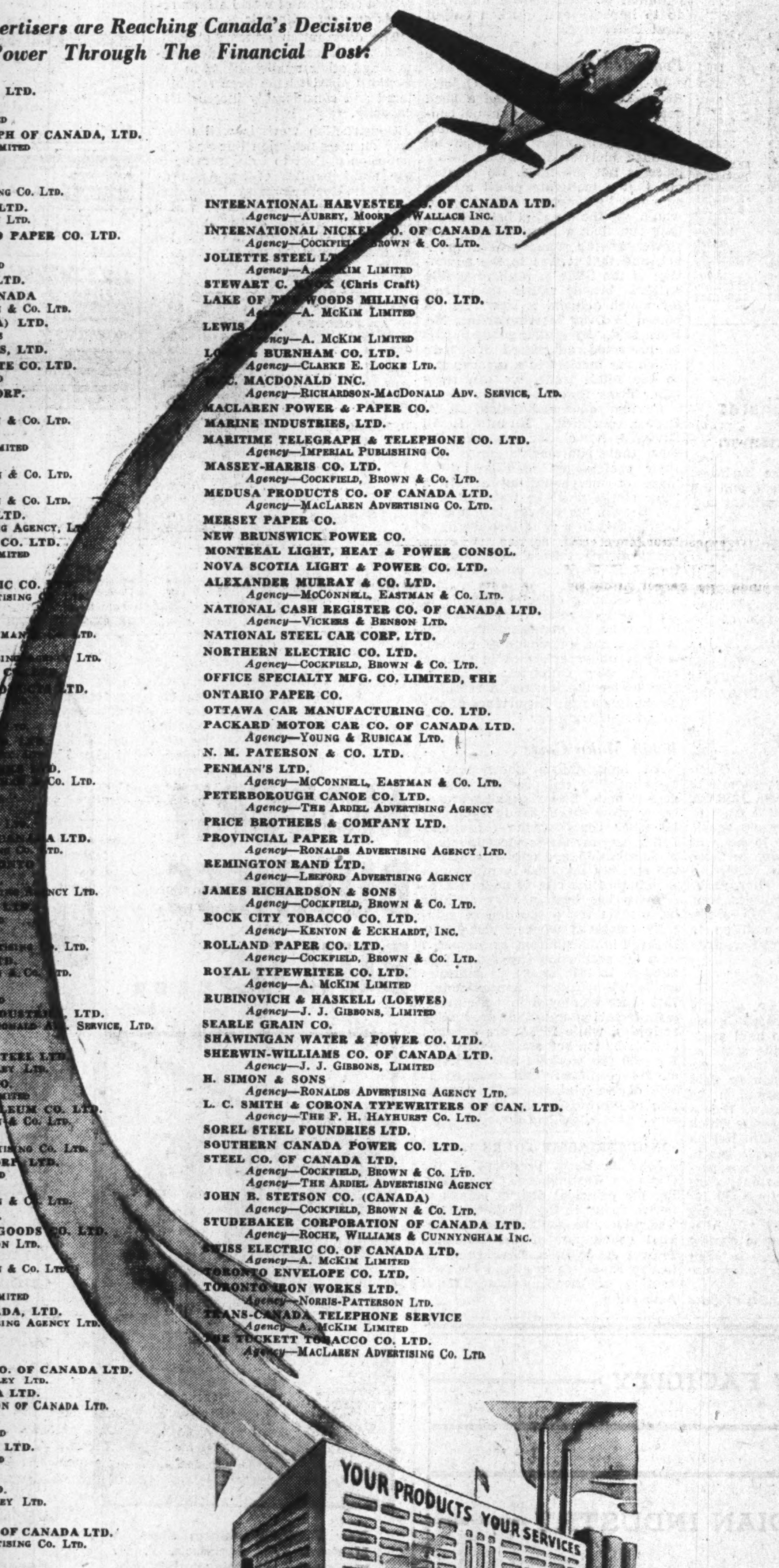


These Industrial Advertisers are Reaching Canada's Decisive Executive Buying Power Through The Financial Post:



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C. N. Spends $12 Millions

Original Ambitious Scheme Pared Down — Economical C. P. R. Plan Rejected

By NORMAN A. WHITE,
Staff Writer, The Financial Post

Twelve million dollars is being spent in Montreal to "fill in that hole on Dorchester Street" and give Canada's largest city a new Canadian National Railways terminal station.

That unhappy individual, the Canadian taxpayer, will have to pay. He would not mind if he thought the project would carry itself or had ample justification on economic grounds.

But Mr. John Public in Montreal and elsewhere in Canada has yet to be convinced that the project is justified. Let us look at it and see what Canada is going to get for its $12 millions.

No one who has studied the situation will deny that the C. N. R. requires better terminal arrangement in Montreal than it has at present. Present facilities are disjointed. Freight and passenger terminals are mixed together. Bonaventure, the principal C. N. R. passenger station in Montreal, is antiquated and obsolete.

So some changes are called for. But is the proposed terminal the most logical and cheapest solution of C. N. R. terminal problems in Montreal? Is the expenditure of an additional $12.6 millions justified in view of the decline in railway passenger business in the last 15 years? Would not a union terminal (C. N. R. and C. P. R. together) meet the needs of the railways and the public better?

These are questions that are being asked.

How It Was Announced

To be quite candid there is a deep-seated suspicion that the proposed terminal is a political project as much as an economic one. Evidence is not lacking that it has and is being used to win votes for Montreal politicians. First public announcement about completing the terminal was made in the St. Henri by-election in Montreal, 11 months before any statement in connection therewith was made by the management of the C. N. R. in December last. Intimation that the terminal project would be completed came from the late Hon. Fernand Rinfret, Secretary of State, and Hon. P. J. A. Cardin, Minister of Public Works, and not from S. J. Hungerford, president of the Canadian National, as one might have expected.

Speaking at an election meeting in the St. Henri constituency on Jan. 16 of last year, Mr. Cardin stated: "Before the next general election comes, the Canadian National Railways will have their central station in Montreal." At an earlier meeting in the same by-election Mr. Rinfret said the Liberal Government would "fill the hole on Dorchester Street."

The "hole" referred to is the site of the proposed terminal station.

Announcement from the Board of Directors of the C. N. R., on the other hand, did not come until 11 months later. What the average citizen cannot understand is why an earlier announcement was not made by the C. N. R. if the modified scheme had been decided upon in January of last year. At one sitting of the Senate Railway Committee, Hon. Raoul Dandurand, Government leader in the Senate, stated C. N. R. directors had found in 1938 that the Government was willing to contribute 40% of the cost, but he did not reveal whether this was before or after the St. Henri election.

Who Started It?

Who was responsible for the resumption of the project —the Government or the C. N. R.? No one outside of the inner political and railway circles knows the answer to that one.

Refusal of the Government to hear representations from opponents of the scheme has also aroused suspicions. The Canadian Pacific Railway was refused the right to make representations to the Senate Railway Committee. The Minister of Transport, the Board of Transport Commissioners and the Senate Committee refused to hear representatives of the City Improvement League of Montreal.

Another curious fact is that the Government has decided to pay 40% of the cost as an unemployment aid. Does this indicate the project would not be justified if the railway was called upon to bear the entire cost?

As already noted, railway passenger business is considerably less important than it was 10 or 15 years ago. Both the C. N. R. and C. P. R. are losing large sums annually on their passenger services. Thus, some doubts exist as to whether a large investment in a new passenger terminal is justified.

And the project does not meet Montreal's most pressing need—a union terminal. Absence of a union terminal in Montreal is one of the major obstacles to economies through extension of pooling arrangements for passenger services of the two railways.

At the present time the two railways are discussing the possibility of additional pooling arrangements in order to make economies in passenger services. One proposal is to pool transcontinental passenger trains, but the lack of a union station in Montreal may prove to be a stumbling-block. Evidence before the Senate Railway Committee revealed a similar proposal several years ago broke down because of this very reason. Experts agree a union station in Montreal would facilitate co-operative measures between the two railways in passenger services.

Filling in "that hole on Dorchester Street" is costing $12.6 millions. Added to the $16.6 millions already spent on the new Canadian National Terminal scheme in Montreal, it makes a $29 millions investment.

When the new terminal is complete, the Canadian National will abandon its Bonaventure and McGill Street stations while the tunnel station is absorbed in the new one.

The Financial Post's photograph shows work now in progress on the new terminal.

The Original Proposals

History of the present attempt to solve the Montreal terminal problem extends back to 1927 when the C. N. R. was authorized to develop adequate terminal facilities in Montreal. The result was a proposal for a large station on the site of the Tunnel Station at which all C. N. R. passenger traffic would terminate.

In 1928 the Dominion asked Sir Frederick Palmer, who had been brought from England to advise on selection of a terminal port for the Hudson Bay Railway, to study the matter. He endorsed the C. N. R. proposal with only minor criticism. Further, he suggested, among other things, the development of a new station on the Tunnel terminal site as a union station.

Cost of the Canadian National Scheme, to provide terminal facilities for that railway alone, was estimated at $45.9 millions. If the scheme was developed from the first as a union station the cost would be $83.7 millions. If the scheme was started first as a C. N. R. undertaking and was developed as a union station later, the estimated cost was $86.4 millions.

For several reasons, including the cost, the C. P. R. refused to participate. It would have had to abandon its large investment in the Windsor Station, and spend $29.4 millions to $32 millions. It said it could not see advantages to justify so large an outlay.

The development got under way in 1929 as a C. N. R. project. An expenditure of $50 millions was authorized. In 1932 work on the project was suspended because of the adverse effect of the depression on railway earnings. Montreal was left with a gaping, open pit in its downtown district. Up to the time work was suspended, a total of $16.6 millions was spent on the project.

Extensive Project

Under the original scheme, all C. N. R. passenger trains arriving at and departing from Montreal were to use the new passenger station. In other words, the number of C. N. R. terminal stations would be reduced from four to one. Traffic from the South was to enter by a six-track viaduct connecting with the Victoria Bridge. Trains from the East instead of terminating at the St. Catherine Street East station were to be brought through the tunnel by means of a 10-mile cutoff around the northeast corner of Montreal Island. Western traffic was also to enter the new terminal by the tunnel, being diverted 12 miles west of the city by a new six-mile cut-off between Point Claire and Eastern Junction. Trains from the north were to enter, as previously, by the tunnel.

The proposed development also included rearrangement of coach yard and freight terminal facilities. The Bonaventure station area was to be used entirely for freight. There was to be a new coach yard at Point St. Charles and also a new freight yard. By doing away with present freight and coach yards the level crossing problem west of Bonaventure station would be eliminated. An engine house and coach yard for trains running north and west were to be constructed north of the tunnel. The station building itself was to be large enough to house all the Montreal offices of the C. N. R. Overhead tracks were to be erected along the harbor front to connect the west-end and east-end yards.

Today's Scheme

To what extent does the modified scheme, which is estimated to cost an additional $12.6 millions, differ from the original scheme?

The modified scheme provides for a reduction in the number of C. N. R. terminal stations from four to two. Bonaventure and McGill Street stations are to be abandoned, but St. Catherine Street East station will continue at present. Trains from the South will be brought in over the viaduct from Victoria Bridge. Traffic from the West, instead of being rerouted through the tunnel, will be routed via Point St. Charles and over a connecting line to the viaduct. The lines from Turcot and St. Lambert to the new station are to be electrified as in the 1929 scheme.

The station building is to be a more modest structure than originally planned. It will not include office facilities for the head office staff of the Canadian National and will rise only one story above the Dorchester Street level.

The necessity of some rearrangement of terminal facilities in Montreal has already been mentioned. According to evidence given by S. W. Fairweather, chief of research and development for the C. N. R., before the House of Commons Railway and Shipping Committee, the following factors were considered by directors in deciding to proceed with the terminal plan on a modified scale:

(1) The necessity for a rational co-ordination of passenger and freight terminals of the Canadian National in the interests of economy and efficiency.

(2) The adverse effect, financial and otherwise, upon the operations of the company through the continued use and maintenance of antiquated and unco-ordinated terminal facilities inherited from predecessor companies.

(3) The long-standing grade crossing problem in Montreal.

(4) The effect upon the growth and development of the city industrially and otherwise.

(5) The amount of money already invested in property standing idle.

(6) The necessary developments in the light of present-day conditions and requirements as well as future necessities, including eventually, if decided upon, a union terminal.

(7) The pre-eminent suitability of the location of the central station for a union terminal demonstrated by the exhaustive study of the situation by the company's engineers, as well as by a special independent study made by Sir Frederick Palmer, who was engaged by the Dominion Government for that purpose.

(8) The provision of a satisfactory suburban service between the South Shore communities and the centre of the city.

Is It Justified?

All of these are important factors. Mr. Fairweather's evidence, however, does not answer the question as to whether the proposed terminal is economically sound. Neither does it answer the question as to whether it is the cheapest possible solution of Montreal's terminal muddle.

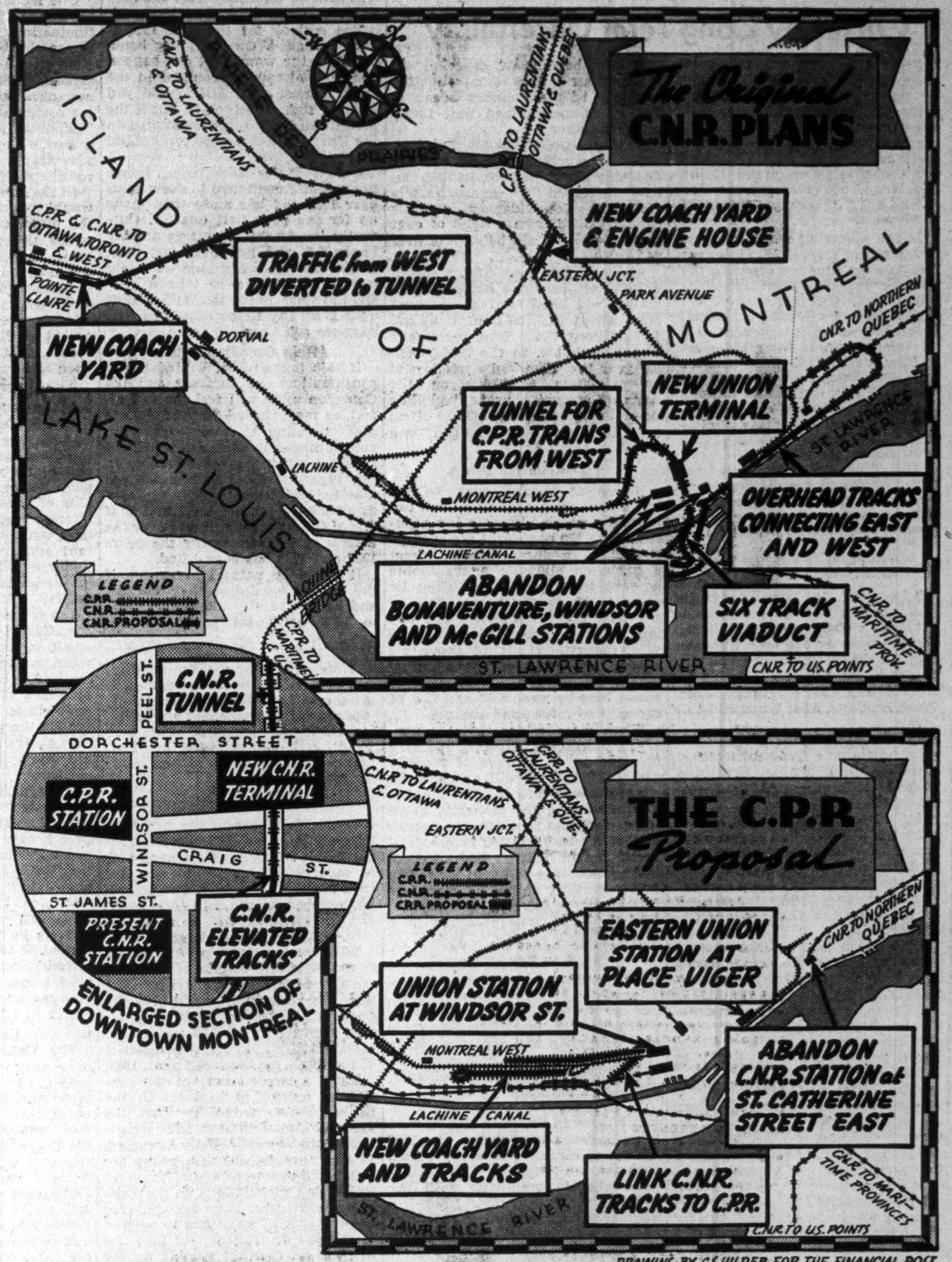
Mr. Fairweather admits that, as a passenger development alone, the new terminal project would not be justified. He told the Commons Railway Committee that:

"The study made showed that, while passenger operating savings alone would not give an adequate return on the investment immediately, the segregation of the passenger terminals and coach yards made possible future adjustment of separate freight handling facilities which would justify the expenditures involved and to be involved."

In speaking before the Quebec Division of the Canadian Industrial Traffic League he said:

"Taking into account the economies in the handling of C. N. R. freight and passenger business in Montreal, I can state quite definitely that starting from now, the additional railway expenditures contemplated in the modified plan and changes to the freight facili-

(Continued on page 11, col. 3)


The Original C.N.R. PLANS
ISLAND OF MONTREAL
LAKE ST. LOUIS
RIVIERE DES PRAIRIES
C.N.R. TO LAURENTIANS & OTTAWA
C.P.R. TO LAURENTIANS OTTAWA & QUEBEC
C.P.R. & C.N.R. TO OTTAWA, TORONTO & WEST
POINTE CLAIRE
DORVAL
LACHINE
MONTREAL WEST
LACHINE CANAL
LACHINE BRIDGE
C.P.R. TO MARITIMES & U.S.
EASTERN JCT.
PARK AVENUE
C.N.R. TO NORTHERN QUEBEC
ST. LAWRENCE RIVER
C.N.R. TO MARITIME PROV.
C.N.R. TO U.S. POINTS
NEW COACH YARD
TRAFFIC from WEST DIVERTED to TUNNEL
NEW COACH YARD & ENGINE HOUSE
TUNNEL FOR C.P.R. TRAINS FROM WEST
NEW UNION TERMINAL
OVERHEAD TRACKS CONNECTING EAST AND WEST
ABANDON BONAVENTURE, WINDSOR AND McGILL STATIONS
SIX TRACK VIADUCT
LEGEND
C.P.R.
C.N.R.
C.N.R. PROPOSAL
C.N.R. TUNNEL
PEEL ST.
DORCHESTER STREET
WINDSOR ST.
C.P.R. STATION
NEW C.N.R. TERMINAL
CRAIG ST.
ST. JAMES ST.
PRESENT C.N.R. STATION
C.N.R. ELEVATED TRACKS
ENLARGED SECTION OF DOWNTOWN MONTREAL
THE C.P.R Proposal
C.N.R. TO LAURENTIANS & OTTAWA
C.P.R. TO LAURENTIANS, OTTAWA & QUE.
EASTERN JCT.
EASTERN UNION STATION AT PLACE VIGER
C.N.R. TO NORTHERN QUEBEC
UNION STATION AT WINDSOR ST.
MONTREAL WEST
ABANDON C.N.R. STATION at ST. CATHERINE STREET EAST
LACHINE CANAL
NEW COACH YARD AND TRACKS
LINK C.N.R. TRACKS TO C.P.R.
C.N.R. TO MARITIME PROVINCES
C.N.R. TO U.S. POINTS
ST. LAWRENCE RIVER

DRAWING BY C.S.HILDER FOR THE FINANCIAL POST

In these maps The Financial Post has endeavored to reduce to simple proportions the various schemes for new railway terminals in Montreal.

The upper map shows the chief elements in the Canadian National Railways' original ambitious proposals. Montreal's six passenger terminals would be combined in one. Canadian National would abandon its Bonaventure, McGill, Tunnel and St. Catherine stations and the Canadian Pacific its Windsor Street and Place Viger stations.

There would be southerly and northerly approaches to a vast new union terminal. Trains would come in over a six-track viaduct across downtown Montreal and through the existing Mount Royal tunnel. C. P. R. lines would be suitably linked up. An expenditure of $83.7 millions was envisioned.

The Canadian Pacific refused to go into the scheme, whereupon the Canadian National adopted those portions of the plan applicable to its own lines. Started in the heyday of 1929, the work was suspended in 1932 after $16.6 millions had been spent.

Now the Canadian National is finishing the passenger terminal building downtown and spending $12.6 millions. But many major portions of the project have been abandoned.

The circular map inset shows the relative location of the old C. N. R. Bonaventure station, the C. P. R.'s Windsor Street station and the new C. N. R. terminal.

The smaller map below shows the simple plan offered by the C. P. R. as an alternative to the original C. N. R. scheme. It would have made a main union station out of the Windsor Street terminal; would have used the C. P. R.'s Place Viger station as an eastern passenger terminal. The plan was rejected.

Finding Jobs For Men Over Forty

By ELISABETH MACKAY

The cry today is for youth. Youth is being helped, and rightly so. But what about the wealth of ability that is available in the large group of men over 40? Unorganized, they have little hope of success.

Today there are three outstanding organizations to help the man over 40. The Forty Plus Club is the newest of these reputable movements. Sir James Woods, president of Gordon MacKay & Co., wholesale dry goods firm, and philanthropist, is its national president. And it was Sir James who organized also Toronto's 40-50 Club. Thirdly, there is also the Veterans' Assistance Commission, sponsored by the Dominion Government, which set up committees in cities throughout Canada two and a half years ago.

"The 40-50 and the Forty Plus clubs seem to prove that if you give a good man a chance he is worth it and will repay you. It has been a very gratifying experience in the rehabilitation of man," Sir James Woods told The Financial Post. "In the beginning I supported these clubs entirely. Now I only look after the office rent. I am very proud to say that the men who have secured jobs through us look after the upkeep. They pay for the telephone, postage, travelling expenses and general maintenance," he added.

"I am satisfied with the progress of the 40-50 Club and the way in which the Forty Plus is coming along," Sir James said. "Up to last week permanent jobs had been found for about 170 men—that is about seven jobs per week. And, of course, a great many temporary jobs have also been found. But unfortunately there are not so many executive positions open," he added. "However, it looks as if these organizations will be permanent and successful. Yet there is much to be done," said Sir James.

A typical example, now one of the youngest members of the Forty Plus. He was an accountant office manager. He lost his position through a sudden illness. His savings are gone. He is heavily in debt. His furniture is in storage. His wife is sick and away from home. Twenty-one years ago he was a young boy in the front line of the biggest battle ever waged by man. A battle in which—within two weeks more than 600,000 men of both sides, and one quarter of the total fighting forces under General Haig's command — were casualties. This man is fighting again, this time for a job.

This is just one of the many cases, taken at random, from the files of the Forty Plus Club. And many more could be found.

Forty-Fifty Club

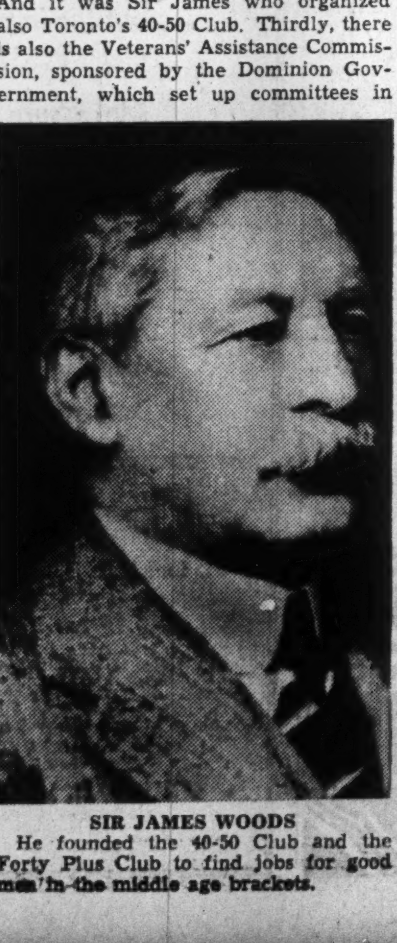
Sir James Woods organized a movement known as the 40-50 Club last December. He got the idea from a magazine article, which told of a similar organization in Boston. This American movement was so successful that it spread to other cities in the United States. Sir James liked the idea, and thought that such a club was needed in Canada. The Toronto 40-50 Club included all reliable men over 40 years of age, not only of the executive class but also artisans, craftsmen and tradesmen.

Justification for the organization was soon proved by its many successful placements of members in permanent jobs. It soon became apparent, however, that two branches were needed and so, again following the American example, a distinct division known as the Forty Plus Club was formed to look after placements for the executive type of unemployed.

Such was formed in February with its head office in Montreal. In April, Sir James Woods became the national president and established the Toronto branch. Though over 84 years old Sir James is not a mere figurehead. He is the material power behind these two Canadian movements.

In both clubs there are no fees, no dues, no commissions on jobs. Only hand-picked, unemployed men are admitted to membership. Their past records are carefully checked. Their capabilities are weighed, their talent and experience tabulated. The clubs are non-political,

(Continued on page 11, col. 3)



SIR JAMES WOODS

He founded the 40-50 Club and the Forty Plus Club to find jobs for good men in the middle age brackets.

These Men Got Jobs

A member of the 40-50 club is 46 years old. He has a wife and four children. He has had a great deal of experience in mining and has a thorough knowledge of the business end of it. He spent a number of years with several mines in northern Ontario, doing cost accounting, federal statistics, and eventually mine management and accounting. He has also been employed by the Ontario Hydro Commission and the Federal Income Tax Department. His first job, after leaving school, was as a junior in a bank.

When he came to the club he was in desperate need and heavily in debt. He had been out of permanent work for about one year. The club secured a position for him as office manager with a large food products company, with a branch in Toronto.

* * *

One of the members of the Forty Plus, who is 52 years old and has a wife and two children, was a very successful manager of a large arena for 12 years. That was his best job and with it went a nice fat salary. Suddenly he was thrown out of employment. He had started his business life as a clerk. Then he became an accountant with a construction company. He held this position for two years and was then transferred to another branch of this organization, where for three years he was assistant to the general manager.

When he joined the Forty Plus he had been out of permanent work for about five or six years. A few weeks after he joined the club he secured a position, through them, as manager for a boat building organization in Gravenhurst.

* * *

Another member of the 40-50 is 43 years old. He has a wife and a child. He was born and educated in Scotland. He fought with the Imperial forces. About 1927 he came out to Canada. He worked with the Ontario Provincial Police for 3 years. For 3 years he was a maintenance man with the Ontario Government. And for another 3 years he was attached to a large hospital as maintenance man. Since then he has been out of permanent work, but he took any odd job offered. The club got him a job as maintenance man with a large knitting mills in Toronto, and he is well satisfied.

Another member of the Forty Plus is 45 years old and married. He is an Englishman who speaks French fluently. He started in business in his father's food products firm, in England. He came out to the United States and worked as a cost accountant. He moved to Quebec, where he first did office work, and then purchased a franchise for selling advertisements in the cabins of ferry boats in Cowansville, Quebec. Next he came up to Ontario and sold advertising in several important cities.

For two years he was out of permanent work, but he took anything that was offered. For a long time he could only get jobs on commission. He is heavily in debt. The Forty Plus got him a job, in which he has made a great success. He is selling advertising material for a Toronto organization and covers the eastern district.

* * *

A veteran, married, about 45 years old, applied to the Toronto Honorary Committee under the Veterans' Assistance Plan. Formerly he was an investigator with the Royal Canadian Mounted Police, earning a good salary. He was out of work for about one year. He impressed the committee so much that they got odd jobs for him in the meantime. Now he has a job through the Probational Training Plan. He is a collector with a credit clothier firm, which has been established in Toronto for about 25 years.

* * *

One of the veterans who got a job through the Toronto Honorary Committee is married and has four children. He was a salesman and a good one at that. He was out of work for about one year. During this time he would not go on relief so got fairly heavily into debt. As a matter of fact, the bailiffs were just about to pay him a visit when he got a job through the Probational Training Plan. He is now making a good weekly salary plus travelling expenses selling electrical supplies with a large Toronto electrical concern.

Regulating Newsprint Production—4

Newsprint Securities Outlook

Prospect of Short Term Profits Offset by Long Term Uncertainty

From the investor's viewpoint, prospects for present holders of newsprint securities or for reaping a speculative profit from new purchases, can at best be deemed uncertain. Thousands of investors and traders are seeking to appraise the probable future trend of the industry from the present improved but still uneasy picture that it presents.

In the following article, the last of a series of four, R. W. Finlayson analyses the situation affecting the outlook for newsprint securities and weighs the influence of the major factors affecting it. While foreseeing excellent chances of a speculative profit from these securities during the next year or two, Mr. Finlayson is quick to admit that the long term outlook remains troublously clouded unless decisive steps are taken to improve it. Several such steps are proposed by the author.

The Financial Post does not necessarily endorse all the views expressed by Mr. Finlayson, but will be glad to give space to informed comment on his articles.

By R. W. FINLAYSON

Survey of 10 large newsprint producers in 1926 gave figures to show the number of times interest charges were earned on a five-year average basis, after depreciation, depletion and taxes. The rating for Abitibi was 4.29; Brompton, 3.84; Price Brothers, 3.53; Laurentide, no bonds.

Earnings applicable to each share of common, on a five-year average, were: Abitibi $10.01; Brompton, $4.56; Price Brothers, $3.05; Laurentide, $6.72.

By contrast, the seventh annual report of Consolidated Paper Corporation, for 1938, set at an unqualified "nothing" the amount of "payment to the owners (of which there are more than 20,000) for the use of machinery, buildings, land, inventories, etc.," in the seven-year period ended Dec. 31, 1938.

The periods cited could hardly have been more aptly chosen for a contrast of the financial fortunes of the Canadian newsprint companies. Of the first five years, only 1921 was below average and of the later seven years, only 1937 could be classed as above average.

In the first period the price of newsprint paper averaged about $85 per ton and in the second this average had dropped to almost half the former level, about $43 per ton. Comparisons of the percentages of capacity at which the mills operated are almost as startling although they can only be estimated. The figure for the first period would be about 85% and for the second perhaps 68%.

However, the lumping together of the last seven years is in one sense misleading. It obscures the gains that have been made, especially in the last four or five years, when the members of the industry began at last to co-operate and pull themselves together.

At the end of the fiscal year 1934, Abitibi's working capital position was only about $408,000. In 1936 this had increased to approximately $7,348,000. Consolidated's working capital gained from a debit of over $5,000,000 to a credit balance of over $4,750,000.

Between 1934 and 1938, Consolidated's net earnings before depreciation and bond interest advanced from about $1.5 million to almost $3.9 millions. Price Bros. increase is also remarkable. In the 1934-35 fiscal year that firm had a net loss of approximately $1,400,000 on the basis of present charges, including bond interest. In the 1938-39 fiscal year this had been changed to a profit of about $3,000.

Essentials for Profit

Newsprint finances are involved, but a few rough generalizations can be made which illustrate the problem. With $50 newsprint the average Canadian producer breaks about even, after allowing a reasonable amount for depreciation, when he operates at approximately 60% of capacity. Some companies can pay interest on their bonded indebtedness when operating at slightly above this figure, but most of the industry would probably have to operate somewhere between 65% and 75% of capacity to meet bond charges.

When we consider that the prorating members of the industry operated at an average of roughly 57% in 1938, and will probably be slightly above 60% in 1939, the difficulties facing the manager, or in some cases the receiver, are patent. In 1937 the co-operating members of the Canadian industry had an operating percentage of about 88, but in that year they obligingly manufactured over 400,000 extra tons for the United States consumers and at a price of $42.50 per ton.

Hard on Bondholders

Newsprint balance sheets are not a happy picture, and many companies are still plowing back all profits to allow for deferred amounts of depreciation and depletion. Truly the lot of the newsprint bondholder, to say nothing of the shareholder, has been a hard one.

In gauging the future, two main points have to be constantly kept in mind—price and volume. In 1920 newsprint hit $135 per ton. But from that date on the price decrease has been almost continuous until the low was reached in 1934 of $40. Undoubtedly, without the co-operation of the manufacturers, and the assistance of the proration policy as laid down by the provincial governments, the subsequent rise would not have been possible.

Unfortunately, however, whereas the price of newsprint before 1932 generally followed the course of commodity prices, from that time on there has been an almost inverse correlation. The present price may be equitable, it may be long overdue. But it is suggested that it should not remain at a constant level while business conditions and other commodity prices vary from day to day.

Quarterly Price Change?

Perhaps the mills could make the price fluctuate, say within a range of from $45 to $55, in direct relationship to business conditions in their chief market, the United States. Is it absurd to suggest that the price be changed as often as four times a year, to correspond with the fluctuations in, say, the United States Federal Reserve Board's monthly index of industrial production?

The adoption of this procedure, while it might not increase the demand, to any marked degree, would probably be accepted by the United States publishers as a step in the right direction. The chief advantage would be that such a fluctuation would have a tendency to close the umbrella which the Canadian manufacturers have held over the United States market and which has been of great assistance to the United States newsprint manufacturer and to the European exporter.

Meet Competition

If the Canadian price was dropped from $50 to $48 it would then equal that of the Great Northern group of mills. The United States manufacturers are at present operating at about 95% of capacity, and may produce over 40,000 more tons in 1939 than if the Canadian mills had been competing on a price basis. The Scandinavians are also exporting larger amounts to the United States and their total for the year will probably be at a new all time high.

Roughly, these two units supplied about 35% of the United States requirements in 1938 (U.S. 27%, European 8%) and this total may rise in 1939, although the percentages will seasonally tend to favor the Canadian manufacturers in the second half of the year. A decrease in the Canadian price might be met by the Great Northern mills and almost certainly the differential of $7 per ton would be kept by the Scandinavian exporter.

However, aside from the effects discussed above, it would have a very important long-term result in that it would show other potential manufacturers that the Canadian industry meant business and was determined to remain in a competitive position. This is perhaps the most obvious defect in the present situation and one of the most easily remedied.

Effect of Prorating

The prorating policy's effect on the value of newsprint securities should be here summarized. The long-term results have been to stabilize the industry and, of course, the most important advance has been made in the price situation.

Recent reports forecast a settling of the Great Lakes controversy. If this takes place, the industry will have removed one of the last large obstacles in its path to security. Naturally the Great Lakes security holders may suffer somewhat but the remaining 98% of the industry will benefit, especially over the long term.

The outlook for the year 1939 is none too good. On the other hand, probably the worst that can happen has been already discounted in the stock market. The price could and perhaps should fall to $48, but if the present business upturn continues in the United States the $50 level might be justified.

United States advertising linage has recently continued to show gains over 1938 and has more than made up for the poor first quarter. Currently the weekly increases are between 5% and 10% over last year. If business gains continue we might expect advertising to take a substantial spurt in the last half of 1939, as it generally follows an industrial advance after some months.

Help Canadian Mills

If this takes place, United States consumption will increase and the Canadian mills will feel the full effect, as most United States mills are now operating at close to capacity, and European imports are not likely to show much further advance. In this regard it must be remembered that the publishers' stocks are now at an almost normal level, and thus one of the clouds which was over the newsprint horizon during the years 1937 and 1938 has been lifted.

It might be natural to expect, if the upturn continues, that the second half of 1939 would show a 10% to 15% newsprint production increase in Canada over the first half. This would give a 1939 operation for the whole industry of perhaps 67% of capacity, which would compare with about 62% in 1938. The prorating members would gain from about 57% in 1938 to say 62% in 1939.

Note—The four articles making up this series are being reprinted by the author. Orders for copies of the reprint, accompanied by remittances at the rate of 50 cents per copy, will be received by The Financial Post to be turned over to Mr. Finlayson.

Lift Security Values

With the relationship existing between price and volume of business, the above tonnage estimates for 1939, with $50 newsprint, would give the Canadian industry a dollar value return above that of 1936 and would even put it within striking distance of the totals for the freak year, 1937.

Thus, a direct result of the substantial upturn in business in the United States would be that the value of Canadian newsprint securities would be substantially increased. In fact, these stocks as a group are coming to represent one of the most interesting speculations on the Canadian exchanges. They certainly are not the type of securities to suggest to widows or orphans, but they are as good an outright gamble as one can find.

They form probably the only large group of undervalued Canadian industrial stocks. Although one may have difficulty in timing their moves, a purchase now would, it is almost certain, handsomely repay one over a two year period at the longest.

Spurt in 1936-37

Perhaps the reader forgets the 1936-1937 advance. During this period, while the Toronto industrial stock index was rising from a low of about 125 in 1936 to a high of roughly 190 in 1937, the Montreal paper index spurted from about 60 to 350. These two indices are not directly comparable, but the general picture drawn from the contrast is true.

In this same rise, Consolidated Paper common went from 2 to 24½ and Abitibi common advanced from $1.40 to $15.75. It is only proper to state that the subsequent fall was almost equally as abrupt. In playing with this group of stocks the speculator should not be too selfish and should learn to take profits commensurate with risks involved.

International Factors

One factor that must now be kept in mind when discussing market fluctuations of securities, especially in the short-term sense, is the possible effects of political disturbance abroad. In this regard, the Canadian newsprint security holders should be in a comparatively fortunate position. Undoubtedly business would increase in a neutral United States and advertising linage and newsprint consumption should spurt ahead.

At the same time European exports would practically cease and with the outlook for higher commodity prices the publishers should start again increasing their stocks. It would be natural to assume Canadian newsprint production and the value of these securities would show marked improvement after an initial period of dislocation, presuming, of course, that our exchanges remain open and prices are not pegged.

Adverse Considerations

At the same time, newsprint securities, from an immediate viewpoint, do not seem to offer a great deal to the Canadian investor. As was noted above the average Canadian company has to operate at from 65% to 75% of capacity to earn even bond interest requirements, and the long-term outlook does not seem to warrant enough optimism to feel that this rate will be met and maintained by the prorating members of the industry.

The trend for national sufficiency has affected even newsprint and one would expect that many of the Canadian markets would be supplied by local mills in the course of the next 10 years. The European exporters have almost reached their limit, but the Southern United States pine and the Australian experiments cannot but limit the Canadian long-term outlook.

In addition, from the demand standpoint, the era of the newspapers' supremacy in the advertising field is now definitely over, and the producers have to realize this situation. Radio and the graphic magazine have taken a place in the field and television and facsimile reproduction threaten to become active competitors in the future. The situation is now, of course, recognized and the introduction of color and photographic transmission may and should give the newspapers a weapon with which to fight back.

Changing Trends

The Canadian manufacturer can only survive by recognizing these trends and varying his production technique. Unfortunately, he cannot change his machines to output of more expensive papers, as many of the United States units have done in the past decade, because the local demand has already been satisfied and export markets are very limited. But he can and probably will be forced to take other exits. Lignin and cellulose plastics may be a way out.

Finer grades of newsprint papers will be demanded, and it is certain that our forest resources will be utilized in some manner. The world's cellulose resources are rapidly decreasing and Canada has here an asset which should always prove valuable. However, the only way that latent demand can be discovered is through chemical research and it is just here that the Canadian industry is only beginning to realize its opportunity.

It is to be hoped the provincial authorities and the individual members of the industry will see the importance of embarking on a well directed programme of cellulose research. Canada needs an impassioned leader of the type of Doctor Herty, who fostered the southern pine development. Such a man, with a sufficient degree of technical vision, and a large enough staff of assistants, could perhaps lead the Canadian industry out of its present morass.

Until something like this comes along, the long-term outlook cannot but be clouded with pessimism.

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B.C. Newsprint Men Sit Tight

Seek to Appraise Meaning of U. S. Combine Charges

From Our Own Correspondent

VANCOUVER. — Industrial and legal authorities here are trying to figure out the real significance of the recent charges that British Columbia's newsprint producers, Powell River Co. and Pacific Mills Ltd., have violated United States anti-monopoly legislation in their marketing on the Pacific Coast. Several top executives of both organizations have been indicated by the federal grand jury in San Francisco.

Just what it all means no one here seems to be very sure. Counsel for the paper men are advising a "sit tight" policy, and whether court orders issued in the south will be applicable in British Columbia remains to be seen. Several directors of both companies are living in the United States, so they would, of course, be available for the hearings.

Monoply Denied

Spokesmen for the industry insist that the similarity in price between Canadian and American producers is not due to agreement and monopoly, as hinted by Thurman Arnold, Assistant U. S. Attorney-General in charge of anti-trust activities. It indicates instead a common-sense attempt to obtain a selling price sufficient to cover costs, they say.

Even at the $50 a ton selling price, newsprint men claim, they are not making a reasonable profit.

They state that the Pacific Coast, where the investigation into newsprint marketing is now being concentrated, is freer from the suspicion of combine than other sections. If a Pacific Coast publisher didn't want to pay the Canadian price he could buy Finnish paper or Swedish paper, which he often did, at a saving of nearly $7 a ton.

"The U. S. Department of Justice may want to know why the American and Canadian prices are so much higher than Scandinavian mills charge," said one newsprint representative. "The answer is that they can have that price if the Governments of the United States and Canada nullify wages and hours laws, eliminate unions and generally reduce our standard of living."

A survey of the situation shows that the Pacific Coast states last year imported 79,507 tons of $47.21 average value from Canada; 35,237 tons of $40.45 average value from Sweden; 25,276 tons of $35.73 average value from Finland and 2,896 tons of $40.89 average value from Norway.

France to Subsidize Exports of Newsprint

From Our Own Correspondent

MONTREAL.—The United States Department of Commerce reports France has offered an export subsidy to its manufacturers of newsprint. The subsidy, at current exchange rates, amounts to 66 cents per 220 pounds.

It is not expected any appreciable amount of newsprint will be imported into the United States from France as a result of the subsidy. In the last 10 years U. S. newspaper consumers have bought only one small shipment from France, that being in April last.

Insulating Board Sales Drop to Lower Levels

From Our Own Correspondent

MONTREAL. — Domestic shipments of rigid insulating board in Canada amounted to 4,786,601 sq. ft. in June, compared with 4,631,741 sq. ft. in May, 1939, and 4,931,293 sq. ft. in June, 1938.

For the first six months of the current year, shipments totalled 22,316,389 sq. ft. as against 22,765,469 sq. ft. in the first half of 1938. Shipments of plaster base board were well ahead of last year, but this was offset by lower shipments of panel board and roof board.

Stock Exchange to Permit Secondary Distributions

From Our Own Correspondent

MONTREAL. — Regulations governing secondary distribution in listed stocks have been announced by Grant Johnson, chairman of the Montreal Stock Exchange.

Secondary distribution does not involve new issues of stock, but arises when a member house acquires a substantial block of a relatively inactive issue for the purpose of securing a wide public distribution of the stock. Under the new regulations it will be possible for a member of the Exchange to secure permission to make a secondary distribution of a listed stock.

In such distribution, the member house acts as a principal rather than an agent, selling the stock elsewhere than on the floor of the Exchange, but reporting sales to the Exchange.

No "Step-Up" Options

A substantial part of the stock to be distributed must be owned by the distributor or he must have agreed by firm commitment to acquire it before the beginning of distribution. Any options held by the distributor must be at fixed prices. No so-called "step-up" options are permitted. No short position may be established against any option.

All sales by means of secondary distribution must be made on a net basis. It must be made clear to every person to whom stock is offered that the broker is acting as a principal. Every purchaser of stock must be furnished with a copy of a descriptive circular of the company.

Must Post Offer

The distributor is required at all times during the secondary distribution to maintain on the floor of the Montreal Stock Exchange an offer of the stock at the price at which it is being offered to the public by means of secondary distribution. Non-members, who are licensed dealers in securities, may be associated with the distributing house in the secondary distribution.

In the case of other member houses or firms who participate in the distribution with the applying house, sales must be made net and without discount of any kind to the purchaser.

Permission to perform such a distribution was recently given to one member of the Exchange with respect to common stock of Famous Players Canadian Corp.

Toronto Rules

Toronto Stock Exchange officials state that no further action would be required on their part to permit similar action by its members. The Toronto Exchange has on its books a by-law permitting secondary distribution by member firms under much the same conditions as will now be possible for Montreal exchange members.

On a number of occasions, members of the Toronto Exchange have taken advantage of this provision. Such stocks as Laura Secord Candy Shops, Consumers Gas Co., Fanny Farmer Candy Shops and Bell Telephone Co. of Canada are mentioned as among those in which such secondary distribution has been carried out by Exchange members.

Abitibi 6 Mos. Earnings Down

July Should be Closer to Year Ago Though Lower Shipments Forecast

Earnings of Abitibi Power & Paper Co. for June showed a drop of $131,737, or 39.79%, from the corresponding month a year ago. This marks the third successive month that earnings have been below the same month of 1938 and has more than offset the gains recorded in the earlier months of the year. The result is that for the first half of 1939, Abitibi has earned $79,350, or 7.02% less than in the first half of last year.

Newsprint shipments of 24,239 in June were about 3,000 tons below June a year ago. Estimate of July shipments at 22,500 tons would show a comparatively small decline from the 22,960 tons actually shipped in 1938. Shipments of newsprint for the first half of 1939 amounted to 140,296 tons compared with 126,915 tons in the first half of last year.

Bleached sulphite shipments in June showed a good gain over the same month of last year at 2,863 tons against 2,142 tons and the forecast of 2,900 tons for July is also above July of last year.

As pointed out recently in The Financial Post, Abitibi is feeling the combined effect of higher cost pulpwood and lower selling prices for bleached sulphite pulp. This has cut earnings more than might otherwise be noticed and the June results are made worse by the drop in newsprint shipments.

Monthly Earnings

	1939 $	1938 $	Incr. %
January	*162,297	114,219	42.09
February	*125,556	77,469	62.07
March	*150,400	140,258	7.23
April	*175,446	181,932	▲3.57
May	*237,830	285,264	▲16.63
June	*199,330	331,067	▲39.79
	1,050,859	1,130,209	▲7.02

*Before depreciation of $148,750 and bond interest of $276,530. *Before depreciation of $148,750 and bond interest, including interest on overdue and unpaid interest, of $271,502. ▲Decrease.

Newsprint Shipments

	1939 tons	1938 tons
January	21,688	18,058
February	20,542	16,004
March	22,333	18,239
April	24,293	22,001
May	27,201	25,412
June	24,239	27,201
	140,296	126,915

Note:—Present indications are that shipments of newsprint for July will be about 22,500 tons.

Bleached Sulphite Shipments

	1939 tons	1938 tons
January	3,422	2,150
February	2,846	1,937
March	3,461	2,183
April	3,261	2,841
May	3,435	3,000
June	2,863	2,142
	19,288	14,253

Note:—Present indications are that shipments of bleached sulphite for July will be about 2,900 tons.

National Biscuit Profit Down in Second Quarter

National Biscuit Co., reports net profit for the three months ended June 30 of $2,885,263, or 39 cents a share on the common stock, compared with $2,984,565; or 41 cents in the corresponding period of 1938.

Results for the first six months show net profit of $5,854,596, or 79 cents on the common shares, against $5,645,135, or 76 cents in the six months ended June 30, 1938.

Privy Council Judgment Rejects Thornton Lease

From Our Own Correspondent

MONTREAL.—The Judicial Committee of the Privy Council has dismissed the appeal of the Montreal Trust Co. against judgment of Canadian courts in favor of Canadian National Railways.

The appeal was in connection with an action by the Montreal Trust to recover rent on a house once occupied by the late Sir Henry Thornton, former president of the C.N.R. The Canadian National Railways contended that the lease was null and void and this view is upheld by the Privy Council.

Knox Glass Builds

Canadian Knox Glass Company Oshawa, are starting an extensiv building programme. This company a subsidiary of the Knox Glas Bottle Co., Knox, Pa., earlier thi year purchased the former Orienta Textile plant at Oshawa as the first step in preparing to make bottles in this country.

Two new buildings are to be buil another building extended, oil storage tanks installed and a new 110-ft. smokestack erected.

Advance Survey Of Building Out

D. B. S. Issues First Preliminary Report on Construction

Preliminary survey of operations of the construction industry in Canada has been issued by the Dominion Bureau of Statistics, for the first time since the bureau began a few years ago to make an annual census and statistical analysis of construction activity.

The current report, admittedly giving only a partial picture of operations in 1938, is based on returns from contractors, government bodies and other building agencies received by the bureau up to May 31 last. Hitherto, the bureau's annual construction census has not been published until 12 or more months after close of the year surveyed.

Basis for Future

Chief value and significance of the present bulletin is that it will afford a basis in future for computing reasonably early estimates of construction operations each year. The ratio of figures in the present report to the 1938 totals compiled later in the year will be the percentage basis on which data available to May 31 in other years will be expanded into advance estimates of totals for the preceding year.

Thus the figures available by May 31, 1940, will be taken to represent definite proportions of the various figures representing totals for 1939 operations.

The recent report is based on 10,325 returns made to May 31, 1939, by contractors, etc. While this compares favorably with the 10,855 returns on which the complete report for 1937 was based, the current survey evidently gives only a partial picture. The value of work performed last year is reported at $209.4 millions, indicating a decline of 40% from the final 1937 total of $351.8 millions.

Out of Line

This ostensible drop is much out of line with the recognized total of MacLean Building Reports as to construction contracts awarded, which showed a decrease of only 16% last year under 1937. If the actual decline in the D.B.S. "value of work" was in the same proportion, the final D.B.S. total would be $295.5 millions.

Partial total of capital invested in construction last year is reported by D.B.S. at $103.4 millions, compared with final total of $176.9 millions for 1937.

New Building

Crown Cork & Seal Co., Toronto, has carried plans for addition to plant to a point permitting call for tenders.

Kerr-Addison Gold Mines has awarded general contract for $50,000 extension to mill at Virginiatown, Ont.

Hugh Walker, Toronto builder, has awarded preliminary contracts for $150,000 apartment house block in north-central section of Toronto.

Reported by Engineering & Contract Record:

Building Products Ltd. is planning a $50,000 addition to plant at Villa Lasalle, Que.

Vancouver Rayon Silks Ltd., new industry recently located in Vancouver by European interests, has started work of clearing site on North Vancouver waterfront for $2.5 millions plant which it is planned to erect next year.

National Leaf Tobacco Co. will start work soon on erection of $100,000 tobacco processing plant at Simcoe, Ont.

B. C. Dept. of Public Works plans to spend $380,000, out of the province's $2 millions highway construction programme, on the Kingsgate - Radium Hot Springs road. This is to lead from the U. S. border to Kootenay National Park and thence to Banff, and will link the southern provincial highway with the Trans-Canada highway at Golden.

Shell Oil Co. of Canada has let contracts for $50,000 unit of steel storage tanks with necessary foundations at Toronto, to Read-builders Ltd. and John Inglis Co. (tanks).

Masonite Co. of Canada, newly formed by Canadian International Paper Co. and Masonite Corp., is to start work soon on plant at Gatineau, Que.

Dominion Seven-Up Ltd. is having plans prepared for $75,000 bottling plant in Town of Mount Royal, Montreal suburb.

Bata Import & Export Co., Canadian unit of well-known Czech shoe manufacturing interests, has called for price quotations for construction of 20 houses in connection with establishment of plant at Frankford, Ont., now under way.

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Corrugated Paper Box

Would you kindly give me information on Corrugated Paper Box Co. and if there is any likelihood of the company paying dividends this year?

Corrugated Paper Box Co. deferred dividends on its preference stock last September to conserve its liquid assets. Consideration will be given to resumption of dividends as soon as earnings and conditions warrant, according to the president. Arrears were $3.50 a share at the end of last year. Corrugated Paper Box earned $5.68 a share in 1938 on its preference stock, as compared with $11.43 a share in 1937. This was not sufficient to cover the $7 a share dividend on the preference shares, although a balance of 31 cents a share was available for the common in 1937.

Chief factor disturbing this business is a series of price cuts which have continued into the current year and have undoubtedly seriously affected the company's earning power. An investigation into an alleged combine in the paper box industry was carried out by the Dominion earlier this year and action is being taken against the companies involved.

In so far as actual volume of business obtained is concerned, it is thought that this year has compared reasonably well with last year and that prospects for improvement are good as general business gains. Restoration of good earning power for these companies will depend on adjustment of the price situation and this is not exactly clear as yet.

Economic Inv. Trust

How do you rate Economic Investment Trust Ltd. as an investment? Can you tell me something about the management and portfolio?

From the standpoint of performance and returns to investors, Economic Investment Trust Ltd. must be ranked among the better Canadian investment trusts. Dividends of $1.75 a share paid for the year ended March 31, 1939, compare with $2 a share in the preceding year and $1.75 two years ago. The past three years has seen substantial recovery of earning power following the depression.

Market value of the trust portfolio was $2.4 millions at the end of March, an increase of $281,255 during the year. On the common stock, this represented an equity of $33.12 a share as compared with $25.75 a share in the preceding year. Economic Investment Trust has a $1 million issue of 5% bonds outstanding. The existence of these senior charges means that during a period of better earnings, the proportion available for common stock will grow more rapidly. The stock is not actively traded, although listed on the Toronto Stock Exchange.

Management of the company is linked with the accounting firm of George A. Touche & Co., while the directors include well-known Canadians with an advisory committee in Great Britain.

The company does not publish details of its portfolio holdings, but at the end of March, 64.77% was in ordinary and common stocks, 30.98% in preferred stocks and 4.25% in bonds and debentures. Canadian investments made up 78.26% of the total, followed by United States securities with 20.67%. The list was well diversified by industries.

Canada Packers

I am thinking of buying shares in Canada Packers Ltd. and would like a summary of its position.

In the year ended March 30, 1939, Canada Packers Ltd. experienced substantial improvement in earnings over the previous year. Net profit was equivalent to $6.19 a share on the common stock, against $5.50 a share in the previous year. Because of this improvement in earnings, the company was able to declare an extra dividend of $1 a share. This is in addition to the regular annual payment of $3 a share.

Canadian meat packers, particularly in western Canada, suffered from a shortage of live hogs in 1938. This condition was brought about because farmers in western Canada lacking sufficient grain to feed stock in 1937, slaughtered both meat hogs and breeding stock. Canada Packers was not as hard hit by this shortage as many packing organizations.

Prospects in the current year are for a larger grain crop and hog deliveries should benefit, as well as from the excellent grain crop of 1938. J. S. McLean, president of the company, stated in his annual report that it is possible that packers might be able to reach the British quota for the first time in 1939. Meat packers are largely dependent on the export market and if the quota were reached, it would be reflected in better earnings for the company.

The company has made important changes in its capital structure in the past year. Interest requirements have been reduced to 2.47% on an average of the entire funded debt. Savings effected by the refunding operation will be substantial.

Cockshutt Plow

Would you kindly outline the prospects for the stock of Cockshutt Plow Co.

Cockshutt Plow Co. should benefit from the large crop which is about to be harvested in this country. Sales for the first six months of the year which ends Nov. 30, 1939, showed a moderate decline from the same period of last year. This was due chiefly to the restricted purchasing power resulting from a lower level of farm prices. Unsettled international conditions also made export business more difficult.

Prospects for the balance of the year in Canada depend upon the current crop, which is promising at present. Since implement sales during the last half of the year normally form about two thirds of the year's business, higher sales now should offset the spring decline and bring the total of implement sales for 1939 up to last year's figures.

Last year Cockshutt Plow showed an increase of 15½% in sales and had the most successful operating year since 1930. Net profit, however, was reduced to $12,631 because of an unusually heavy write-off against accounts receivable, amounting to $310,445. This conservative policy of writing off potential losses in accounts receivable, however, should benefit future years operations. Real prosperity for the farm implement companies is dependent on better purchasing power for the farm industry of this country. Cockshutt Plow has a somewhat restricted liquid position although working capital amounted to $3.9 millions at the end of last November. This would probably work against the likelihood of an early resumption of dividends as no payments have been made on the common stock since 1931. The company's balance sheet, however, has been placed in a strong position by write-offs in previous years and it should benefit shortly from improved conditions. Currently speculative attraction is directed somewhat toward companies likely to benefit from the better conditions in western Canada of which Cockshutt Plow is one.

Chainway Stores

I have been offered the bonds of Chainway Stores, Ltd. and would like information on this company.

Chainway Stores, Ltd. was incorporated with Ontario charter on Feb. 11, 1929. The organization has gradually expanded since formation from one store to a chain of 15 variety stores, carrying merchandise selling from 5 cents to $5. The stores are all in Ontario, in the northern, central and southwestern regions.

The business as it now stands is controlled and operated by the management. Purpose of issuing $100,000 of 6% first mortgage bonds is to provide funds to gradually increase the number of stores; to obtain and enlarge more suitable warehouse space to handle business on a lower cost basis and to expand wholesale business.

There are $500,000 of 7% cumulative redeemable preference shares, of $100 par value authorized and $94,900 issued and outstanding at Jan. 31, 1939. There were 50,000 shares of no par value common stock authorized and 12,561 issued and outstanding.

Profits available for debenture interest since formation have been as follows: In 1929, $3,628; 1930, $18,555; 1931, $24,084; 1932, $2,902; 1933, loss of $577; 1934, $9,862; 1935, $7,957; 1936, $13,417; 1937, $25,486; 1938, $30,291. During this ten-year period $91,595 of capital has been retired.

In five months of the current year sales were up 18.1% over those of the same period in 1938. June sales increased 18.4% over those of June, 1938.

At Jan. 31, 1939, total assets of the company were $182,542, comprised of, in part, cash, $5,356; accounts receivable, $2,233, and merchandise inventory of $64,399. Fixed assets amounted to $104,834. Current liabilities amounted to $3,829. Working capital amounted to $68,159.

Quebec Gasoline Levy May Yield $10 Millions

From Our Own Correspondent

MONTREAL.—The Quebec Government is reported to be satisfied with results obtained from its two-cent increase in the gasoline tax. No information is available as to the amount of gasoline tax receipts in recent months, but it is understood there has been a satisfactory increase.

It is reported that gasoline tax receipts for the fiscal year ending June 30, 1940, may reach more than $10 millions. In the year ended June 30, 1938, gasoline tax receipts totalled $7.3 millions. Figures for the year ended June 30, 1939, are not available as yet.

Life's Labour Lost

Many men spend their lives creating an estate only to have it dissipated after their decease, through appointing inexperienced executors. Assure the permanent protection of your dependents by appointing an enduring, efficient trust company.

MONTREAL TRUST Company
Montreal Trust Building
61 Yonge Street Toronto
Toronto Office:
J. F. HOBKIRK, Manager

A Home that Savings Built

Savings are not just money . . . they are houses, farms, travel, enjoyment of life. Money is only the means to an end. The owner of this home used the facilities of the Canada Permanent to accumulate the money with which to build; and his savings paid for it over a period of time. Thousands are doing the same. Canada Permanent is ready to help you also to SAVE and BUILD. Its faith in the future of Canada has remained unswerving since 1855.

CANADA PERMANENT Mortgage Corporation
Head Office, 320 Bay St., Toronto
ASSETS EXCEED $69,000,000

Canadian National's New Montreal Terminal

(Continued from page 9)

ties; that is, railway economies which will result will be sufficient to pay the interest upon the additional expenditure and amortize the cost over a period of years."

The Dollars and Cents

In neither case did he present figures to support his statement. He did, however, make use of such figures in an address before the Council of the Montreal Board of Trade. And Hon. C. D. Howe, Minister of Transport, has estimated savings sufficient to pay carrying charges on $10 millions.

In speaking before the Board of Trade, Mr. Fairweather estimated the capitalized value of total economies at $17,750,000. In other words, savings would be suffcient to pay interest charges on this amount and amortize it over a period of years. Included in this figure is $10 millions, representing the "present worth" of savings resulting from traffic growth due to business recovery and growth of the city! Mr. Fairweather admitted that these additional savings might be regarded as speculative. The capitalized value of immediate savings he estimated at only $7,750,000.

Savings sufficient to pay carrying charges on $7,750,000 will not accrue from the $12.6 millions expenditure now contemplated. The $7,750,000 estimate takes into account economies which would accrue from improvement in freight facilities and coach yards costing about $2 millions more.

In his figuring, Mr. Fairweather charged against his savings estimate only that part of the cost of the modified scheme that is being paid by the C. N. R. He ignored the amount being contributed by the Dominion Government and the $16.6 millions already invested in the project.

It is evident from these figures that resultant savings are not sufficient to liquidate the $12.6 millions expenditure. Even if only 60% of the cost of the modified scheme, including contemplated adjustments to freight facilities, is taken into account, immediate savings will not be sufficient to make the expenditure self-liquidating.

It would be too much to expect savings to liquidate the entire investment. Part of the cost might very properly be charged to grade separation. The $16.6 millions already invested in the project would be a most generous write-off in this connection.

Alternative Plan

What alternative is there to the C. N. R. project?

Over a period of years a number of alternatives have been suggested, but the most important is the one made by the Canadian Pacific that its Windsor Street Station should be used as a union station in the West End and Place Viger Station in the East End. This proposal was made when the C. N. R. 1929 scheme was first proposed, but even then it was not an entirely new scheme. A similar proposal was made by the Board of Railway Commissioners as far back as 1916, although it was suggested at that time that the C. N. R.'s Tunnel Station traffic should also be brought into Windsor Station.

The C. P. R. proposal is that Windsor Station be converted into a union station for all trains using the present Bonaventure and Windsor stations. This could be done by constructing an overhead connecting line from Windsor Station to the C. N. R. lines at St. Henri. An objection to this proposal is that the C. N. R. would have to continue to operate its Tunnel and McGill Street stations, but it should be noted that these stations are engaged largely in handling suburban traffic.

The Place Viger proposal is not as important, especially as only one train a day now departs from the St. Catherine Street Station of the C. N. R. However, it would be possible to connect the St. Catherine Street Station and the Place Viger line at a very small cost. There is, in fact, a connection at this point now for the interchange of freight.

Windsor Big Enough

No doubt exists as to the ability of Windsor Street to handle all the trains now using the Bonaventure and Windsor stations. The Joint Cooperative Committee of the two railways reported in 1933 that:

"The present facilities of the Canadian Pacific from Montreal West to Westmount and the station trackage and train facilities at Windsor Street Station are adequate, without further capital expenditure, to handle the combined maximum peak business of the past of both the Canadian National and Canadian Pacific and all tenant lines based on Bonaventure and Windsor Street stations."

The same report stated present coach yard facilities of the C. P. R. at the Glen, the present three-track connection between the Glen and Windsor Street Station, and the express, baggage, mail and ticket office facilities are inadequate without further capital expenditure, to handle the combined business of Windsor Street and Bonaventure stations. Furthermore, the facilities of the Glen at their present location cannot be made adequate.

Cost of a new coach yard at Montreal West was estimated at $4 millions, four tracks from Montreal West to Windsor Station at $1 million and alterations to Windsor Station at $1 million.

Rerouting for C.N.R.

From these figures it is possible to get some idea of the cost of converting Windsor Station into a union terminal. By making use of various roundabout routes it would be possible to bring C. N. R. trains from the south, that is from the Maritimes and the eastern United States, into Montreal over the C. P. R. line via the Lachine Bridge. Western trains could connect with C. P. R. lines at Dorval where the two railroads run side by side. If this were done the expenditures necessary would be those outlined above by the Joint Co-operative Committee and estimated at $6 millions.

Rerouting of the C. N. R. Maritime, Boston and New York trains, especially in view of the additional mileage that would have to be travelled, is recognized as being impractical. Thus, in order to convert Windsor Street Station into a satisfactory union terminal a viaduct would have to be built from the C. N. R. line at St. Henri to Windsor Street. The cost of this has been estimated by Mr. Fairweather at from $5 to $6 millions.

If this viaduct were constructed and the new coach yard built at Montreal West, the cost of making Windsor Street Station into a union terminal would be $11 or $12 millions. It might also be necessary to spend $2 millions on grade separations in Montreal West, although it is doubtful whether this should be included as part of the cost of using Windsor Street as a joint station.

Assuming the C. N. R. continued to use its present coach yards at Turcot, the cost would be less than the $12 millions mentioned above. It would then be unnecessary to spend $4 millions for new coach yards at Montreal West and $1 million for four-tracking the C. P. R. line from Montreal West to Windsor Street. However, additional tracks on the viaduct probably would be necessary, but a liberal estimate on this basis would appear to be $9 millions.

Level Crossings

One factor considered by the C. N. R. in studying the terminal situation was the desirability of eliminating a number of level crossings. In so far as passenger trains are concerned the new terminal will do away with a number of level problems, but will fall far short of solving the problem entirely. In fact, use of Windsor Street Station as a joint terminal, by building a viaduct from St. Henri, would go just as far toward solving the grade separation problem of the C. N. R. as will its own terminal project. Use of Windsor Street would also permit the C. N. R. to readjust its freight facilities, especially if a new coach yard was built in Montreal West.

Much publicity has been given to the suitability of the new C. N. R. terminal site for a union station. Less publicity has been given to the cost of converting it to such. Assuming the C. P. R. connection was to be made by tunnel as was suggested by Sir Frederick Palmer, the cost would be about $30 millions.

A cheaper way would be for C. P. R. western trains to transfer to C. N. R. lines at Dorval and to reroute C. P. R. trains from the south and the Maritime Provinces so that they would enter the city via the Victoria Bridge. Study of the Palmer report indicates that enlargement of the proposed Tunnel Terminal Station and of the proposed coach yard, and the additional electrification, electric locomotives and other facilities that would be required if all Windsor Street trains entered the new station, would cost about $11.5 millions. Taking into account such items as a new connection at Dorval and possible improvements to C. N. R. lines south of the St. Lawrence, which would be used by trains now entering the city by the Lachine bridge, the total cost of converting the C. N. R. project into a union terminal would appear to be around $25 millions.

Union Station Needed

Of the desirability of a union station, as mentioned at the outset of this article there can be no doubt. Furthermore, there are other factors to be taken into consideration in addition to the larger cost involved in turning the C. N. R. project into a union terminal. Windsor Station cannot be said to be modern, but it is more than adequate to meet the needs of the C. P. R. for many years. For the C. P. R. to join with the C. N. R. at the Tunnel Terminal would mean abandonment of a large investment in Windsor Station. It would also mean the abandonment of the important Westmount and Montreal West stations.

For these reasons, as in 1929, the C. P. R. is not likely to welcome any proposal that it should take its trains into the new terminal.

One criticism of the new C. N. R. proposal is that it will mean trains from the West will have to make two crossings of the Lachine Canal, and canal traffic has the right of way. The C. N. R. has studied this question and claims no great inconvenience will be caused thereby. However, if C. P. R. traffic was routed via Point St. Charles to the viaduct, this might prove to be a serious obstacle.

In support of its terminal scheme the C. N. R. has stressed the Palmer report, but in this connection there are a number of factors that are often overlooked. The Palmer investigation was made in the prosperous days of 1929 when the C. N. R. loss was much lower than it is today. Conclusions reached then do not hold good today. At that time there were no pooling arrangements between the railways in regard to passenger services. Then, again, all the advantages of the Palmer proposal cannot be claimed for the present one which is different in a number of respects.

Other Experts' Views

It should also be noted that there is expert opinion that differs with the Palmer report. In 1927 a study of the Montreal terminal situation was made for the C. P. R. by Baxter L. Brown and C. E. Smith & Co., both well-known consulting engineers with wide experience in railway work. Their report suggested the Windsor Station as a union station in the West End and Place Viger in the East End.. Another study was made in 1928 by Francis Lee Stuart of New York, a consulting engineer who has specialized in railway terminal work. He also reached the conclusion that the C. N. R. proposal was not the best solution of the Montreal terminal problem.

Another opponent of the scheme has been the City Improvement League as a result of a study made by its Town Planning Committee under the chairmanship of Prof. Percy Nobbs of McGill University. In a recent speech Prof. Nobbs stated "the Montreal terminal problem is farther from a rational solution than ever it was."

George R. MacLeod, an engineer for many years with the City of Montreal in which capacity he dealt with many problems arising between the city and the railways, is another who, as a result of careful study, does not think the C. N. R. proposal to be the logical solution. He suggests the two railways should join together in developing the Montreal terminals into a systematic organism, using Windsor Street and Place Viger stations as union terminals. The tunnel and the work done on the terminal he would transfer to the city. He suggests the tunnel suburban service be operated by the Montreal Tramways, and that the viaduct be completed as a vehicular artery from Victoria Bridge.

Case For and Against

Both the C. P. R. and C. N. R. proposals have advantages and disadvantages, as was revealed by evidence given by Mr. Fairweather before the House of Commons Railway and Shipping Committee. However, many of the arguments used by Mr. Fairweather are far from convincing, if one knows his or her Montreal. He argued that the new station will be nearer the trade centre of gravity. It will be nearer the commercial, retail, financial and hotel sections of the city, and to the most densely populated section. Every Montrealer knows there is very little to this argument. The difference between the two sites as far as public convenience is concerned is minute. The two stations are almost within a stone's throw of one another.

At an early stage the C. N. R. arguments for the new terminal were given. But there are four other important points in regard to the Montreal Terminal project which cannot be ignored:

(1) Savings resulting from the project will not be sufficient to liquidate the investment.

(2) Windsor Station can be converted into a union terminal at a lower cost than the proposed C. N. R. terminal.

(3) Completion of the C. N. R. terminal may make it impossible to obtain a union terminal in Montreal.

(4) Lack of a union terminal may prove a serious obstacle in making additional savings through the pooling of passenger services.

Jobs For Men Over Forty

(Continued from page 9)

non-racial, non-sectarian. Today the 40-50 Club has about 540 members and the Forty Plus about 60. The Toronto clubhouse is at 672 Dupont Street.

The membership includes men from various walks of life. The 40-50 Club caters to craftsmen, artisans and tradesmen, while the Forty Plus caters to the executive and professional class, men who have earned incomes in the higher brackets, such as accountants, engineers, banking men, office and sales managers, salesmen, executives, lawyers, doctors and other professional men.

This membership list is useful to employers. Employers are saved the necessity of searching for reliable and suitable men. The Forty Plus committee does that for them, and submits 4 or 5 who are their pick and choice to fill the post. And if the Forty Plus has not a man to fill the call, it goes out and gets one. It does everything possible to get the right man for the right job.

The Forty Plus members go out and try to sell each other, including the 40-50 members. The 40-50 Club members do not have this policy.

Employers are asked not to be too conservative. The fact that they have no vacancies should not prevent them from consulting the Forty Plus Intelligence Committee for possible avenues of making or increasing profits, or selecting temporary assistance in an effort to correct some condition or to experiment with some new idea or plan.

And while these men are unemployed they are not idle. If they are not out "trying to sell the other man into a job" they are busy around the clubhouse, where they put in many hours of work each week. There are many clerical duties to be done. Also they do everything possible to help keep up the morale of their fellow members. And there are a hundred and one things to be attended to, all of which is done absolutely voluntarily.

The splendid work of the committees of the Veterans' Assistance Commission throughout Canada is known, but not as well as it should be. The committees feel that while their work is progressing nicely, yet there is much more to be accomplished. They also think that the plight of the man over 40 is being more deeply realized, and that appreciation of his ability and experience is receiving more thought and consideration.

During the last few months the percentage of men who secured steady jobs through the Probational Training Plan has gone up to over 80%. Latterly, too, there has been a steady procession of the better class men—the $200-a-month type of man—applying day after day for jobs through this plan, men who looked as if they might have been doctors, lawyers, etc.

Probational Training

Probably one of the best known and most successful schemes of the Commission is the Probational Training Plan, which has committees set up in a dozen or more cities throughout Canada. It is for the war veteran and operates this way:

A firm has an opening. The job is worth, say, $22 per week. A veteran, who is recommended by the committee, is taken on at the above rate. During his period of training, or retraining, the committee pays the employer half the veteran's wages per week. The probational time is three months. At the end of this time, if the veteran is satisfactory, the employer becomes responsible for his full wages. The committee is not always responsible for half the veteran's salary during the training period. It is only responsible for a certain portion of the wages, depending on the full amount.

Committee Helps

A number of veterans seem to think that when they apply to the local committee, there is a job already waiting for them under the Probational Training Plan. They must realize that they have to dig up an opening. Then their local committee will help them to secure the position if possible. The men themselves tell the employer about the plan.

Letters come in all the time from men on the Probational Plan, thanking the committee. Here is one from a veteran.

"The training period has been very successful. and I am working steadily. I now take full charge of the shop and am working on a salary. The last two weeks I made $45. Had I not had the training I couldn't have held down this job. I thank the committee for their efforts on my behalf."

Many men of 40 and over need jobs badly. Many of them have families to support. Though the organizations mentioned in this article are doing everything possible, yet there is still much to be done.

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Established 1870
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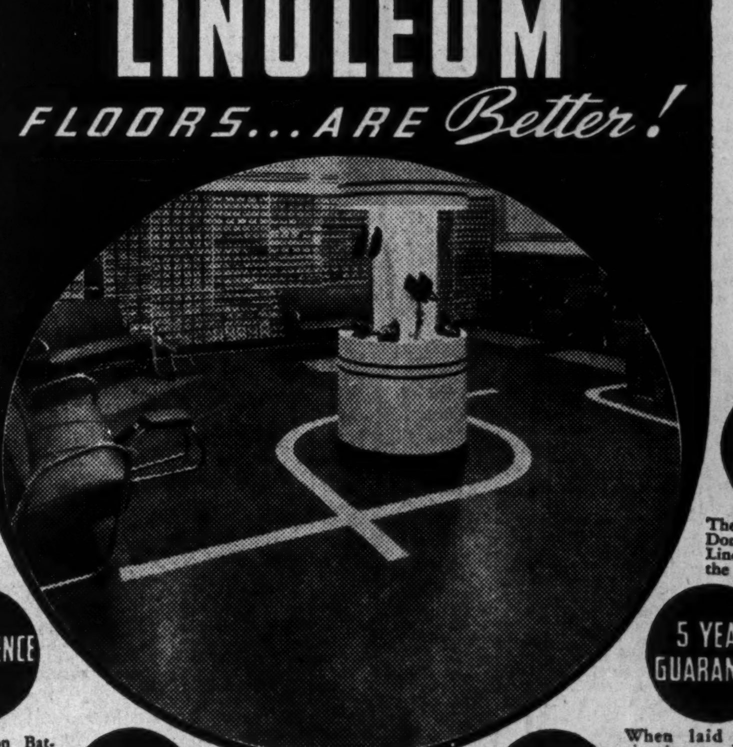


7 REASONS why DOMINION BATTLESHIP LINOLEUM FLOORS... ARE Better!

BEAUTY
There are 11 colours to choose from with widest scope for original design.

LOW COST
The first cost of a Dominion Battleship Linoleum floor tells the *whole* story.

PERMANENCE
With Dominion Battleship Linoleum, your floors are covered permanently and will carry heavy traffic for years.

5 YEAR GUARANTEE
When laid to our simple specifications Dominion Battleship Linoleum (AAA & AA gauges) is covered by our 5-year Guarantee.

QUIET
Dominion Battleship Linoleum ends the noisy clatter of boot-heels.

SMALL UPKEEP
Dominion Battleship Linoleum cuts janitor costs. An occasional waxing is the only care required.

EASILY INSTALLED
Any competent Flooring Contractor makes a quick, efficient job of installing Dominion Battleship Linoleum.

ASK THE MAN *who knows!*

Above installation: Hubert Ashplant & Sons, London, Ont.

DOMINION OILCLOTH & LINOLEUM CO. LIMITED MONTREAL
Consult your Architect or House Furnisher. Write us for copy of booklet on "The Care of Linoleum".

A usual reaction is this: "My new custom-built Dominion Battleship floor not only looks good but it enhances the appearance and comfort of my showrooms."

The Week's Quotations

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING JULY 24

A

Range 1939 High	Low	Div R'te $	Jly22 Y'ld %		Sales	Last July 17	Week end. July 24 H	L	Cl'se
2.87	.50	.	...	Abitibi	18304	.55	1.10	.50	1.00
21½	3½	.	...	Do. pref. 6%	7885	4	8	4	7½
21	4½	.	...	Do. pref. 7%	10	4½	7	7	7
4½	3½	30c	7	Acadia Sugar	215	4	4½	4½	4½
5½	5½	30c	5.2	Do. pref.	....	(4½ bid — asked)			
5	3	.	...	Acme Glove	....	(2 bid 5 asked)			
*82	60	.	...	Do. pref.	....	(— bid 60 asked)			
10	9½	60+20c	8.2	Agnew Surp.	5	9¾	9¾	9¾	9¾
111	104	7	6.4	Do. pref.	15	107	111	110	110
2½	1½	.	...	Alta. Pac. Gr.	140	2½	2½	2½	2½
24	13	.	...	Do. pref.	82	21½	21	17	17
14½	6¾	.	...	Algoma Steel	371	10½	10¾	10½	10½
71½	51	.	...	Do. pref.	75	70	71½	71½	71½
140	112	25c+10%	...	Aluminum	153	130	132¾	130	132¾
112½	111½	6	5.4	Do. pref.	10	111½	112½	112½	112½
2½	1	.	...	Amal. Electric	....	(1.00 bid 1.50 asked)			
30	29	.	...	Do. pref.	....	(— bid 28½ asked)			
22½	22½	60c	2.7	Amer. Cyn. B.	....	(22½ Jan. 26)			
50	47	2.75	5.8	Ang. Can. Tel. p	70	48	48½	48	48
28½	19	60+15c	3.1	Asbestos	3171	23½	24	23½	23½
16¾	14½	80+45c	7.4	Assoc. Brew.	10	16¾	16½	16½	16½
115	109	7	6.4	Do. pref.	15	110	110½	110½	110½
*6½	6½	.	...	Assoc. T. & T.A.	....	(— bid — asked)			
31	29	1.26	...	Do. pref.	....	(29 June 29)			
102	101½	5.50	5.4	Ault & Wiborg.	....	(100½ bid — asked)			

B

Range 1939 High	Low	Div R'te $	Jly22 Y'ld %		Sales	Last July 17	Week end. July 24 H	L	Cl'se
168	162	8	4.8	Bk. Can. Nat.	6	165	166	166	166
223	203	8	3.7	Bk. Montreal	142	215	215	212	214
310	300	12	3.9	Bk. N. Scotia	141	300½	303	300	303
255	239	10	3.9	Bk. Toronto	4	252	253	253	253
5	4½	.	...	Barcelona	....	(4 bid — asked)			
7½	4	.	...	Barker's Bread	2010	5¾	7½	6½	7½
39½	20	2.50	6.4	Do. pref.	190	39	39½	38½	38½
8¾	5	25c	...	Bathurst Pr.	1683	5½	6½	5¾	6½
3½	¾	.	...	Do. (B)	298	1½	2	2	2
1.50	.50	.	...	Bawlf Grain	....	(.75 bid — asked)			
17	15	.	...	Do. pref.	....	(15 bid 16 asked)			
3.00	1.50	.	...	Beath & Sons	25	2.00	2.00	2.00	2.00
8½	4½	.	...	Beatty Bros. A	75	5	6	5½	6
105	99½	6	5.9	Do. pref.	5	105	102	102	102
97	97	7	7.8	Do. 2nd pref.	....	(— bid 95 aske)			
5½	2	.	...	Beauharnois	1584	4½	4¾	4½	4½
95	90	4	4.4	Belding Cort.	....	(— bid 95 asked)			
141	131	7	5	Do. pref.	20	140	140	139	139
178	165	8	4.5	Bell Telephone	1851	175¾	175¾	175½	175½
8	6	62½c	..	Biltmore Hats	....	(7½ bid 8½ asked)			
5	3½	.	...	Blue Ribbon	10	4½	4	4	4
32½	25	2.50	8.1	Do. pref.	100	31	31	31	31
24½	18	1.30	6.8	Brant. Cord. pf.	....	(19½ bid 21 asked)			
12¾	7½	.	...	Brazilian Tr.	6982	8¾	9	8½	8¾
5½	3½	50+25c	...	Brew. & Distil.	....	(4 bid 4½ asked)			
6½	6½	30c	4.8	Bright, T. G.	....	(4½ bid 11 asked)			
80	80	6	7.5	Do. pref.	....	(75½ bid — asked)			
25½	19½	1	4.4	Brit. Amer. Oil	6022	22½	23	22¾	22¾
13½	11	.	...	B. C. Packers	100	12	13½	13½	13½
28½	21½	2	7.3	B. C. Power A	375	26¾	28	27	28
3	2	.	...	Do. (B)	....	(2½ bid 3½ asked)			
4½	2½	.	...	Bruck S. Mills	140	3	3	3	3
19	14	70+10c	4.4	Building Prod.	3431	17	19	17	19
12½	9½	60c	6	Burlington Steel	105	9½	10	10	10
*3	2½	.	...	Burry Biscuit	....	(— bid 3 asked)			
35	35	3	8.6	Do. pref.	....	(— bid 38 asked)			

Quotations* 1938. b New York quotations. ° On account of arrears. ▲ Plus extra of $2 payable Feb. 1, 1939. † Interim. *1937.

Mining Stocks

(Week Ending July 24)

S

Par. Val.	Range 1939 High	Low	Company	Sales	Close July 17 (or last)	High for week	Low for week	Close July 24
1	1.88	1.18	San Antonio	30,491	1.70	1.83	1.70	1.82
1	.17	.10	Sand River	2,450	.11½	.11	.10½	.11
1	.04½	.02	Shawkey	500	.02	.02½	.02½	.02½
50c	1.25	.90	Sheep Creek	1,400	1.18	1.20	1.16	1.20
1	1.44	.85	Sherritt Gordon	18,287	1.09	1.09	1.00	1.03
1	7.20	5.50	Sigma Mines	755	6.75	7.15	6.80	7.15
1	1.65	.95	Siscoe	4,005	1.24	1.25	1.16	1.19
1	.80	.37	Sladen Malartic	9,850	.40	.41	.39½	.40
1	.13	.04	Slave Lake	12,700	.05	.05½	.05	.05
No	1.03	.43	Stadacona	301,588	.46	.50	.46	.48½
1	.15½	.08	St. Anthony	4,800	.09½	.09½	.09	.09½
No	.11	.03½	Straw Lake	84,500	.03½	.04	.03½	.03½
1	.24½	.09	Sturgeon River	600	.18	.17	.15	.17
No	2.99	1.80	Sudbury Basin	2,955	2.20	2.21	2.15	2.20
1	.14½	.05½	Sudbury Contact	1,000	.06	.07	.05½	.06½
1	1.01	.73	Sullivan Cons.	5,649	.76	.81	.76	.81
1	3.55	2.78	Sylvanite	3,105	3.35	3.45	3.35	3.40

T, U, V, W, Y

Par. Val.	Range 1939 High	Low	Company	Sales	Close July 17 (or last)	High for week	Low for week	Close July 24
1	4.70	3.80	Teck Hughes	4,823	4.25	4.25	4.15	4.20
1	.14½	.06½	Temiskaming	2,500	.08	.08	.08	.08
1	2.30	1.65	Toburn Gold	250	1.90	1.90	1.85	1.90
1	.40	.20	Towagmac	......	(.21 bid .29 asked)			
1	1.65	1.03	Uchi Gold	7,510	1.22	1.25	1.20	1.20
...	97.75	95.00	Do., Bonds	15,100	96.00	96.25	95.00	95.00
No	5.80	4.30	Ventures	1,575	5.00	5.25	4.80	4.90
No	8.25	5.50	Waite Amulet	5,681	7.25	7.35	7.00	7.00
1	.15	.08½	Wendigo	2,000	.11	.10½	.09½	.10
No	.01½	.00½	White Eagle	1,000	.00½	.00½	.00½	.00½
1	.05	.01½	Whitewater Mines	......	(.01½ bid .02½ asked)			
1	.08½	.03½	Wiltsey Coughlan	10,000	.03½	.03½	.03½	.03½
1	.19	.08½	Wood Cadillac	11,000	.11	.12½	.11	.12
No	8.90	7.30	Wright-Hargreaves	4,280	8.15	8.30	8.00	8.15
No	.09	.05	Ymir Girl	1,700	.05½	.05½	.04½	.05½

Oil Stocks

Par. Val.	Range 1939 High	Low	Company	Sales	Close July 17 (or last)	High for week	Low for week	Close July 24
No	.09½	.04	Acme Gas & Oil	500	.06	.06	.06	.06
1	.30	.14	Alta Pac. Cons.	125	.14	.20	.14½	.20
1	.30	.15	Ajax	100	.16	.17	.17	.17
No	1.52	.80	Anglo C. Develop	4,925	1.02	1.03	.99	.99
1	.15½	.09	Anaconda	......	(... bid .11 asked)			
1	.21½	.07	Br. Dominion	3,500	.10	.10½	.08½	.10½
No	.38	.18	Brown Oil	6,200	.19½	.21	.19	.21
100	65.00	48.00	Do., pref.	......	(65.00 bid ... asked)			
No	2.80	1.81	Calgary & Ed.	1,867	2.05	2.07	1.99	2.05

Vancouver Stocks

Par. Val.	Range 1939 High	Low	Company	Sales	Close July 17 (or last)	High for week	Low for week	Close July 24
[illegible]	.30	.10	Big Missouri	1,500	.13	.13	.12	.13
[illegible]	.01½	.01½	Bluebird	......	(.01½ Apr. 6)			
[illegible]	12.20	9.50	Bralorne	225	11.80	12.00	11.90	11.95
[illegible]	.03½	.02	Bridge River Cons.	......	(.02 bid .03 asked)			
[illegible]	2.40	2.01	Cariboo Gold	1,260	2.15	2.20	2.15	2.17
[illegible]	.06½	.02	Dentonia	2,000	.02½	.02½	.02½	.02½
[illegible]	.07	.02½	Fairview Amal.	3,000	.03	.03½	.03	.03
[illegible]	.01½	.00½	Federal Gold	......	(.00½ bid ... asked)			
1	.33	.20	George Copper	......	(.20 bid ... asked)			
1	.06	.03	Golconda	......	(.05 bid .06 asked)			
50c	.62	.24	Gold Belt	2,900	.30	.35	.33	.34
50c	.08½	.03½	Grand View	2,500	.04½	.04½	.04½	.04½
1	.03½	.02	Grull Wihksne	800	.02	.02	.02	.02
1	1.54	.72	Hedley Mascot	16,250	.82	.85	.80	.80
No	.01	.00½	Home Gold	500	.00½	.00½	.00½	.00½
1	.01½	.00½	Indian Mines	......	(.00½ bid .01 asked)			
50c	1.40	1.01	Island Mountain	100	1.06	1.14	1.14	1.14
1	.34	.27	Inter'tl Coal	......	(.27½ bid .29½ asked)			
50c	1.55	.61	Kootenay Belle	1,300	.80	.80	.80	.80
10c	.03	.01	Lucky Jim	18,200	.01½	.01	.01	.01
No	.02	.00½	Mak Siccar	......	(.00½ June 29)			
10c	.33	.28	Metaline Mining	......	(.28 June 10)			
1	.23	.21	McGillivray Creek	......	(.20 bid ... asked)			
No	.03	.01½	Minto Mines	650	.01½	.02	.02	.02
5c	.04½	.02	Nicola	3,000	.02½	.02½	.02½	.02½
50c	.04½	.01	Noble Five	3,500	.01½	.01½	.01½	.01½
1	.22	.10	Pacific Nickel	......	(.13 bid ... asked)			
1	1.90	1.24	Pend Oreille	925	1.47	1.46	1.42	1.45
No	.00½	.00½	Pilot Gold	......	(.00½ bid ... asked)			
1	2.70	2.28	Pioneer Gold	1,735	2.45	2.50	2.41	2.41
50c	.03	.00½	Porter Idaho	......	(.01½ bid ... asked)			
No	.01½	.00½	Premier Border	3,000	.00½	.00½	.00½	.00½
1	2.40	1.71	Premier Gold	2,150	1.90	1.88	1.85	1.86
No	1.45	1.06	Privateer Mines	19,100	1.25	1.33	1.25	1.32
1	.04	.02½	Quatsino Copper	......	(.02½ bid .03 asked)			
50c	.01½	.01½	Red Hawk	......	(.01½ Feb. 11)			
1	.15½	.09	Relief Arlington	4,300	.13	.13½	.13	.13½
No	.32	.18	Reeves McDonald	......	(.18 bid ... asked)			
1	.58	.22	Reno Gold	2,800	.49½	.50	.49½	.50
1	.06	.01½	Reward Mining	1,500	.02	.02	.01½	.02
1	.01½	.00½	Rufus Argenta	......	(.13½ bid .14 asked)			
1	.09	.02	Sally Mines	......	(... bid .08½ asked)			
50c	.12	.05	Salmon Gold	7,100	.07½	.06	.05	.05
50c	1.25	.91	Sheep Creek	4,400	1.18	1.18	1.18	1.18
1	1.85	1.25	Silbak Premier	100	1.30	1.25	1.25	1.25
No	.02	.00½	Silvercrest	......	(.00½ bid ... asked)			
1	.15	.08	Sunloch	......	(.08 May 3)			
50c	.27	.13	Surf Inlet	......	(.23 bid .25 asked)			
No	.06½	.02½	Taylor Bridge	1,000	.06	.06	.06	.06
No	.06½	.03½	Vidette Gold	......	(... bid .06 asked)			
50c	.00½	.00½	Waverley Tangier	......	(.00½ bid .01 asked)			
20c	.02	.00½	Wellington	1,000	.00½	.00½	.00½	.00½
50c	.01½	.00½	Wesko	2,000	.00½	.00½	.00½	.00½
1	.04½	.01½	Whitewater	1,000	.02	.02	.02	.02
No	.08	.03½	Ymir Yankee Girl	500	.05½	.05	.05	.05

Oil Quotations

Par. Val.	Range 1939 High	Low	Company	Sales	Close July 17 (or last)	High for week	Low for week	Close July 24
1	.30	.13	Alta. Pac. Cons.	1,000	.15	.15	.15	.15
1	.01	.00½	Amalgamated	3,000	.00½	.00½	.00½	.00½
No	1.52	.84	Anglo C. Develop	400	1.00	1.03	.98	1.00
1	.16	.07½	Anaconda	2,000	.08	.08	.08	.08
No	.08	.06	Associated Oil	......	(.06 May 28)			
No	.04	.01	Baltac	......	(.01½ bid ... asked)			
1	.19½	.06	Brit. Dominion	600	.08	.10	.10	.10
No	.33	.19	Brown Oil	1,500	.20½	.21	.20	.21
No	2.75	1.86	Calgary & Ed.	550	2.10	2.05	1.98	2.00
1	.64	.28	Calmont	600	.33	.33	.32	.32
No	.58	.32	Commoil	1,500	.34	.35	.34	.34
1	.36	.22½	Commonwealth	200	.25	.26	.26	.26
No	.68	.34	Dalhousie	1,050	.34	.43	.37	.43
No	.59	.27	Davies Pete	700	.27	.30	.30	.30
No	.12	.06	East Crest	......	(.06 bid .06½ asked)			
25c	.13	.07	Firestone	......	(.07½ bid ... asked)			
No	1.40	.55	Foothills	......	(.70 June 7)			
No	.07½	.02	Freehold	......	(.02 bid .03 asked)			
No	.13	.09	Foundation Pete.	......	(.10 June 22)			
No	.15	.08½	Four Star	4,000	.10½	.15	.14½	.15
No	.19½	.08½	Hargal	......	(... bid .19 asked)			
No	.35	.15	High Sarcee	200	.15	.15	.15	.15
No	3.75	2.00	Home Oil	750	2.20	2.25	2.14	2.20
No	.07½	.02	Madison	500	.02	.03	.03	.03
No	.09	.04	Marjon Oil	500	.04½	.05	.04½	.04½
No	.22½	.11½	McD. Segur Ex.	3,500	.12½	.12½	.12½	.12½
1	.22	.12	McLeod	......	(.12 May 19)			
No	.13	.05½	Mercury	4,000	.05½	.06½	.06½	.06½
No	.07½	.03½	Mill City Oil	500	.04½	.04½	.04½	.04½
No	.05½	.04½	Midwest Pete	......	(.02½ bid ... asked)			
1	.47	.24	Model	1,500	.26	.28	.27	.28
25c	.11	.07½	Monarch Royal	1,000	.08	.08	.08	.08
25c	.16½	.08	National Pete	500	.10	.10½	.10½	.10½
1	.12	.05	Nordon	......	(... bid .07 asked)			
No	2.00	.95	Okalta	1,000	1.05	1.03	1.03	1.03
No	.12	.05	Pacalta Oil	1,500	.05	.04½	.04½	.04½
25c	.24	.18	Prairie Royal	2,000	.21	.24	.23½	.24
No	45.00	32.50	Royalite	31	34.00	35.00	33.50	35.00
No	.22	.15½	Royal Canadian	5,500	.20	.20½	.20	.20
No	.75	.30	Southwest Pete	500	.50	.42	.42	.42
No	.11½	.03	South End	1,000	.04	.03	.03	.03
1	.12	.04	Spooner	......	(.06 bid ... asked)			
25c	.40	.30	Sunset Oil	1,500	.38½	.39	.39	.39
No	.16	.07½	United	3,000	.08	.08½	.08½	.08½
No	.13	.04½	Vanalta	500	.04½	.05	.05	.05
1	.90	.48	Vulcan	200	.50	.55	.55	.55
No	.07½	.06½	West Flank	......	(.06½ Jan. 17)			

Winnipeg Stocks

(Transactions from July 17 to July 22)

	Sales	High for period	Low for period	Close July 22
Central Manitoba	1,000	.03½	.03⅛	.03½
Franco Oils	400	.48	.48	.48
Gold Lake	500	.01⅛	.01⅛	.01⅛
Great Falls M. & S.	2,000	.04	.04	.04
Gurney Gold	4,000	.03¾	.03	.03¾
Ore Grande	33,200	.06½	.04⅛	.06
Packsack	1,000	.05	.05	.05
Sachigo River	100	8.75	8.50	8.50
Star Lake	2,000	.00⅝	.00⅝	.00⅝
Sunbeam	250	0.8	.08	.08
United Grain Growers	146	7.00	6.25	6.25
Wingold	500	.03¾	.03¾	.03¾
Wings, voting trust	650	.20	.20	.20

Stocks Not Traded in During Week

	Bid	Asked
Beaver Fire	..	100
Beaver Lum., c.	2⅝	...
Beaver Lum., pf.	90	100
Can. Indemnity	125	..
Dom. Envelope	2	3
Do., pref.	96	98
Fed. Grain, com.	..	1.50
Fed. Grain, pfd.	..	23
Home Invest	12	15
North. Trusts	6	..
N. Can. Mtge., pf.	2⅛	..
Reliance Gr., pf.	..	32⅛
Traders Bldg.	.55	..
West. Brew.	1.50	1.55
West. Grain, pf.	..	5
West. Steel	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
July 25	26,400	27,200	269,000	49,965
July 24	20,700	21,400	284,000	32,415
[illegible]	[illegible]	24,800	126,000	28,120
July 21	35,900	55,400	238,000	25,050
July 20	16,300	26,500	192,000	24,353
July 19	19,100	24,100	229,000	38,610

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

July 18, 1939

Dominion of Canada Bonds

%	Due	Bid	Ask.	Approx. Yld.
2	Nov. '39	100¼	...	...
2½	Oct. '39	100¾	...	...
4	Oct. '39	100¾	...	...
1½	June '40	100	100½	.92
4½	Sept. '40	103¾	103¼	1.13
1	Mar. '41	99¾	99¾	1.05
5	Nov. '41	107¼	107¾	1.65
1½	May '42	99¾	100¼	1.46
2	June '42	101	101½	1.47
3	Oct. '42	104	104½	1.57
2½	June '43	102¼	103¾	1.60
5	Oct. '43	111¾	112¼	2.00
2	June '44	100¾	101¾	1.70
a2½	Jan. '44	102¾	103¾	b1.25
4½	Oct. '44	111¾	112¼	2.05
2½	Nov. '44	102¾	103¾	1.83
a2½	Aug. '45	103¾	104¾	b1.40
4	Oct. '45	107¾	108¼	b1.96
4½	Feb. '46	112¾	113½	2.34
3½	June '49	104¼	104¾	b2.50
3½	Oct. '49	104¼	105	b2.48
3½	Nov. '51	103¾	103¾	b2.78
a5	May '52	109¾	110½	b1.10
4	Oct. '52	108¼	108¾	b2.82
3	June '55	100¼	100¾	b2.92
4½	Nov. '56	110¾	111¼	b2.79
4½	Nov. '57	111¼	111¾	b2.90
3	June '58	99¾	100¾	b2.97
4½	Nov. '58	111¼	112¾	b2.97
4½	Nov. '59	112¾	113¾	b2.96
a4	Oct. '60	109¾	110½	b2.92
a3½	Jan. '61	105¼	105¾	b2.80
3½	June '66	101¼	102¾	b3.07
a3e	Jan. '67	101¾	102¾	2.88
a3e	Nov. '68	102	102¾	2.86
a3	Perpet'l.	94	94½	3.17

Dominion Guaranteed Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask.	Approx. Yld.
2	Feb. '43	100½	101½	1.65
2½	Jan. '46	99¾	100¾	2.12
3	May '44	104½	105½	1.80
3	Dec. '50	100	101	b2.82

%	Due	Bid	Ask.	Approx. Yld.
3	Feb. '53	99¾	100¼	2.12
3	Jan. '59	99	100	3.00
*4½	Sept. '51	115½	116½	2.91
*4½	Feb. '56	116½	117¼	3.16
c4½	July '57	116¾	117¼	3.20
*4½	June '55	118½	119½	3.20
5	Feb. '54	119½	120¼	3.24
*5	July '69	116½	117½	b2.29
*5	Oct. '69	120½	121½	b2.97

Provincial Gov't. Bonds

%	Due	Bid	Ask.	Approx. Yld.
New Brunswick:				
3	Oct. '51	93½	94½	3.55
3½	Aug. '49	96	97	3.60
3½	June '56	97½	98½	3.62
c4	Nov. '47	104	105	b3.14
c4½	Apr. '61	108	109	3.89
c5	Jan. '60	114	115	3.93
Nova Scotia:				
3	Jan. '52	97	98	3.20
3½	June '56	99½	100½	3.21
3½	Nov. '50	101½	102½	3.28
c4½	Sept. '52	109½	111	b2.98
c4½	Nov. '60	112	113	3.62
c5	Mar. '60	118	120	3.63
Ontario:				
2½	May '45	101½	102½	2.09
3	Apr. '48	100½	101½	b2.75
3	Nov. '50	100	101	b2.86
3½	Nov. '51	102½	103½	b2.89
*4	June '62	109	110½	3.34
4½	June '50	112½	113½	3.05
*4½	Jan. '62	115	116½	3.44
5	Oct. '48	114½	115½	3.09
*5	Dec. '60	123	125	3.26
5½	July '46	114½	115½	3.02
Ont. Hydro Commission:				
3	Aug. '48	100½	101½	b2.76
3½	Feb. '53	101½	102½	b3.00
3½	Apr. '47	103¾	104¾	2.81
Prince Edward Island:				
3	Oct. '45	99½	101	2.82
Quebec:				
3	Nov. '47	97½	98½	3.24

%	Due	Bid	Ask.	Approx. Yld.
3	Nov. '51	96	97	3.30
3½	Mar. '48	98½	99½	3.35
3½	June '52	97½	98½	3.42
4	Mar. '52	103	104½	3.54
4½	Aug. '58	106¾	108	3.86
4½	Jan. '63	109	110	3.85
Alberta:				
4	Dec. '54	59½	63½	d
4½	Oct. '51	63	67	d
c4½	Oct. '56	60¾	64½	d
*5	Oct. '59	63½	67½	d
c5½	Apr. '52	64¾	68¾	d
6	Mar. '47	68	72	d
British Columbia:				
c4	Dec. '57	99½	102½	3.82
*4½	Jan. '51	102½	105½	3.90
c4½	Oct. '53	102½	105½	4.00
c5	Apr. '54	106	108	4.27
5½	Feb. '45	103¾	106¾	4.11
6	Feb. '47	106	109	4.37
Manitoba:				
c4	Dec. '57	86¾	90¾	4.78
c4½	Dec. '56	90½	94½	4.97
*5	Dec. '59	95½	99½	5.06
5½	Oct. '55	96½	100½	5.47
6	Apr. '47	98½	102½	5.90
Saskatchewan:				
4	Sept. '54	66	70	7.25
4	Nov. '60	65½	69¾	6.97
c4½	Oct. '51	77½	81½	6.71
c4½	Mar. '60	71½	75½	6.71
5	Aug. '58	77	81	6.90
5½	Oct. '52	78	82	7.08
6	Mar. '52	82	86	7.72

*Payable Can., N.Y. & £. b—Calculated to call date giving lowest possible yield. c—Payable Can. & N.Y. a—Payable N.Y. †Callable on or after Sept. 15, 1966. d—Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e—Callable at a premium.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

July 25, 1939

	Bid	Ask.
Industrials:		
Acme Farm., p.	12	14
Andian National	32½	33½
Anglo C. Tel., A	8¾	9
Barrymore, pfd.	21½	..
B. C. Pulp, c.	6	7
Do., pfd.	21	..
B. C. Sugar	81	82½
Burns & Co., A	3½	3½
Do., B	1	1½
Canada Tea, pf.	21	25
Can. Co.-op. W'l	7	..
Can. G'drich, c.	1½	..
C. I. L., A c.	210	..
Can. Ing. Rand	122	125
Can. Tube, 1st p.	58	62
Chase, A. W., p.	25½	26½
Claude Neon, p.	7	7½
Cons. Sales B., p.	..	79
Cope. Flour Unit	7	7½
Dunlop Tire, p.	23	23½
Easy Washing, p.	..	8½
Fed. Grain, pfd.	20½	22
Do., com.	¾	1½
Goderich Elev.	6½	6¾
Guard. Realty, p.	16	..
Guelph Carp., p.	101	102½
Do., com.	9½	10½
Hayes Steel, c.	13	..
Do, pfd.	10	..
Hi'land Dairy, p.	73	..
Do., com.	2½	..
Kingston Sh., un.	11½	12½
Loblaw Inc., c.	10½	10¾
M'row Screw, p.	96½	101
Neilson, Wm., c.	9	..
Do., pfd.	103	..
N. B. Tel., c.	12	..
N. Meth. Ldy. p.	42½	45
Office Spec., p.	71	..
Ont. Tob., pfd.	22	..
Paterson, Wm. p.	104	..
Prov. Paper, pf.	103	104
Reliance Gr., pf.	30	..
Rob. Cons. Cone	9½	9¾
Robertson, pfd.	87	..
Ruddy, E. L., p.	29	31
Seal O Sac (Can)	4½	5
Stand. Fuel, c.	2	2½
Do., pref.	47	51
Stedman Br., pf.	56½	58
Tor. Carpet, c.	18	22
Do., pfd.	54	56
Un. F. Co-op.	2½	2¾
Un. Steel, A pf.	21	21¾
Viceroy Mfg., pfd. & rts.	23	24
West. Grain, pf.	4	6
West. Steel, c.	6	7
Weston Hold.	6	6½
Trusts and Loan Stocks:		
Brit. Mtge.	152	..
Com. Fin., c.	2¾	3
Guaranty Tr.	96	..
Guelph & O., $50	53	56
Lambton Loan	32	35
London & West.	42	44
Sherbrooke Tr.	120	..
Sterling Trust	51½	60
Traders Fin., B c.	11½	13
Do., A pfd.	82½	..
Trusts & Guar.	27	28
Waterloo Trust	99½	..
Insurance Stocks:		
Canada Life	482	490
Confed., 30% pd.	153½	156½
Crown, fully pd.	261	..
Dominion Fire	136	..
D. of Can. Gen.	122	..
Empire, 25% pd.	8	9
Excelsior Life	62½	66
Fed. Fire, 25% pd	50	55
Great-West Life	240	250
Halifax Fire	23½	24½
Imperial Life	300	320
Manufac. Life	243	250
Monarch, 10% pd	23	24½
Sov. L., 25% pd.	11	12½
Sun Life	395	410
Tor. General	51	61
Western Assce.	50	52
Theatre Stocks:		
Allens King., p.	63½	66½
Do., London, p.	53	60
Do. St. Cath. p.	54½	57
Do., Tor., p. c.	34½	37
Loew's Lond., p.	3½	..
Mansf. Thea., p.	31	34
Midland Prop., p.	4	..
Para., Kitch., p.	53½	..
Do., Oshawa, c.	11½	13
Investment Trust Shares:		
Can. Invest. Fd.	3½	4½
Can. Investors	6½	7
Deb. & Sec., pf.	70	..
Inv. Found. Unit	55½	57½
Sec's. Hold., pf.	18½	..
United Corp., A	22	24
Do., B	6	7
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	28	..
Int. Util., 1.75 p.	17	19
Do., 3.50 pfd.	38½	40
Gt. Lakes Pr., p.	101	103
Mtl. Is. Pwr., p.	20½	..
Nor. Ont. Pr., p.	96	98

Unlisted Mines

Toronto, July 25, 1939

	Bid	Ask
Addingt'n	.03¾	.04½
Albany R	.19	.21
Amorada	.01	.02½
Anoki	.09	.10
Arjon	.02	.03½
Armistice	.01¾	.02½
Argosy	.04	.05
Arno	.01¾	.02½
Area	.05½	.06½
Athona	.04½	.04¾
Barb Lar	.03¾	.04½
Beresford	.27	.30
Big Mastr	.03½	.04
Bilmac	.04	.05
Calder B	..	.03
Camlaren	.02½	.03½
Capital R	.01	.01½
Carinor	..	.11
Central M	.03½	.04
Cheminis	.05½	.06½
Cochen'r	.58	.60
Coin Lk	.03½	.04
Cont Kir	.07	.08½
Crescent	.06¾	.07½
Crowsh'e	.08	.10
Dawson	.01	.01½
Dayton	.05½	.06½
Delnite	.90	.95
Desants n	.18	.23
Devon	.07½	.08
Dona Pt	.29	.31
Donwood	.14	.17
Dumico	..	.07½
Dunlop n	.01¾	.02½
E. Lacoma	.02¾	.03½
E. Rouyn	..	.15
Elmos	.19	.21
Faulken'	.01½	.01¾
Flavrian	.02½	.03½
Fontana	..	.06
Frontier	.05	.06
Galore	.03½	.06½
Gate Pat	.01¾	.02½
Golden G	.21	.23
Goldside	.01	.01½
Gordon L	.01½	.02
Gorham	.04	.04½
Hallnor	7.75	8.25
Hiawa'a	..	1.20
Hislop	.01	.02½
Hoyle n	.40	.42
Hugh Pa	.06½	.07½
Hutch Lk	.07	.07¾
Jason	.32	.34
Jodello	.11	.14
Keora	.04	.04½
Kw Crow	.02	.02½
Kelrowe	.29	.31
Kenricia	.24	.27
Kewagam	.03½	.04½
Kiena	.18	.20
Kir Vit	.01	.01½
Kir Gate	.02½	.03
Kir Hunt	.01½	.01¾
Lacoma	.02½	.03
Lake Duf	.35	.40
Lake Gen	.09	.12
Lardego	.03½	.03¾
Lw Pete	.30	.35
Lucky K	.01	.01½
Magnet C	.66	.68
Magnet L	.13	.15
Martin Br	.07½	.08
Martin M	.02	.04
Margaret	.14½	.16
Mata Can	.04½	.05
Melba	.04½	.05
Mof Hal n	.02	.03½
McGreg	.01½	.02½
McVit Kir	.01½	.01¾
Mooshla	.07	.09
Mosher	.13½	.15
Mylamaq	.02¾	.04
Nat Mal	.15	.18
Negus	.60	.70
Nw Rib'o	.03¾	.04½
New Aug	.23	.25
Nickel O	.80	.90
Norbeau	.45	.50
Norlake	.01½	.02½
Oklend	.07½	.08½
O'Leary	.02½	.03½
Opemiska	.07	.09½
Oriole	.02	.02½
Orpit	.06½	.08
Ossian	.02	.02¾
Pascalis	.32	.36
Payore	.02¾	.03
Porc Lk	.06	.09
Planet	.02½	.02¾
Pontiac	.11	.12
Pelangio	.02	.03
Polaris	.32	.34
Private'r	1.25	1.30
Propri'y	1.80	1.85
Presdor	.05	.06
Que Mn	.10	.12
Queb Vik	.01½	.01½
Rand Ml	.18½	.20
Red LGS	.01½	.02
Rhyolite	.03	.03½
Rose Gold	.05½	.06½
Rouyn Re	.01½	.01¾
Sachigo	8.00	8.75
Senator	.40	.42
Shenango	.09¾	.10½
Sheldon	.05½	.07
Siscoe Ex	.01½	.02
Steep R	1.07	1.10
Skynner	.08	.09
Smelter	.03	.03½
Spooner	.06½	.07½
Sunbeam	.17	.20
Sun Bear	.01	.01½
Surf Inlet	.19	.22
Springer	.11	.12
Thomp L	.20	.22
Tonawa'a	.01½	.02
Union Mn	.06¾	.07½
Up Cana	.84	.86
Walker P	.03½	.04
Wesley	.03½	.04½
Wells LL	.14	.16
Westwood	.03½	.04½
Winoga cum rts	.05	.05½
Woco	.21	.23
Y David'n	.27	.28

Montreal, July 25, 1939

	Bid	Ask
Abbeyv'e	.07	.08
Brown B	.01	.02
Chibmac	.02	.03
Demp'y	.01	.02
L Lag'n	.03	.05
L Rowan	..	.09
Leroy	..	.01
Louvre	.02	.03
Obalski	.07½	.08½
Pan Can	.04	.05
Routh'r C	..	.03
Tiblem't I	.02	.03
Valdor M	..	.30
Warren'c	..	.05

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 25, 1939

Public Utility Issues:	Int. Rate %	Due	Bid July 25	Asked	Bid July 18
†Assoc. Tel. & T.	5½	'55	79½	82½	79
Beauharnois P.	5	'73	99	102	99
B. C. Power	4½	'60	102½	105½	102
B. C. Tel.	4½	'61	107½	110½	108
†Calgary Pwr.	5	'60	104½	107½	104
Do.	5	'64	104	107	103½
†Can. Nor. Pwr.	5	'53	102½	105½	103
*Dom. Gas & El.	6½	'45	97½	100½	97½
Gatineau Pwr.	5	'49	102½	105½	102½
Do., B	3½	'69	99½	102½	99½
Gt. Lakes Pwr.	4½	'56	100½	103½	100½
*Int. Hydro-E.	6	'44	85½	88½	85½
▲Inter. Power	6	'55	101	104	101
Macl'n-Que. Pr.	4	'59	97½	100½	97½
Mtl. L. H. & P.	3½	'56	104	107	104
Do	3½	'73	102½	105½	102½
†Mtl. Tramways	5	'41	98½	101½	98½
†Do.	5	'55	69½	72½	69
Nat. Lt. & Pwr.	6	'49	98½	101½	98
N. S. Lt. Pr.	4	'37	103	106	102½
Ottawa H. & P.	4	'57	103½	106½	103½
Ottawa V. Pwr.	5	'39	103½	106½	103½
†Power Corp.	4½	'59	103½	106½	103
Quebec Pwr.	4	'62	103½	106½	103½
*Saguenay P. A.	4½	'66	106	109	106
Do., B	4½	'66	106	109	106
Shaw. W. & Pr.	4	'61	103½	106½	103½
Union Gas	4½	'50	103½	106½	103½
†United Secur.	5½	'52	64	67	...
†Wpg. El Ser., A	4	'65	72	75	72½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	48½	51½	47
Acadia Sugar	4½	'55	102½	105½	102½
†Alta. Pa. Grain	6	'46	89½	92½	90½
Atlantic Sugar	4	'51	101½	104½	101½
B. A. Oil	4	'45	101	103	101
†B. C. P. & Pap.	6	'50	52	55	52
*Brown Co.	5½	'46	34	37	34
Burns & Co.	5	'58	41½	44½	41½
Canada Bread	6	'41	105½	...	105½
Canada Cement	4½	'51	104½	107½	104
Can. Paper	4½	'52	100½	...	100½
Can. Steamship	5	'57	84	87	84
Candn. Canners	4½	'51	102½	105½	102½
*Can. Int. Paper	6	'49	91½	94½	93
†Candn. Vickers	6	'47	67	70	74½
C. P. R.	3½	'51	83	86	83
Do.	4	'49	87	90	87
Do.	4½	'44	90	93	89½
Do.	4½	'42	101	104	100½
†Consol. Paper	5½	'61	37½	40½	36
Dom. Coal	4½	'53	103½	106½	103
▲Dom. Stl. & C.	6½	'55	107	110	106
Dom. Tar	4½	'51	102½	...	102
†Donnacona P.	4½	'56	67	70	67
Famous Players	4½	'51	102	105	102½
†Federal Grain	6	'49	90½	93½	91
†Fraser Cos.	6	'50	90	93	90
Gen. Stl. Wares	4½	'52	98½	101½	99
*Great Lakes P.	6	'55	80½	83½	81
†Gypsum, Lime	5½	'48	100	103	99½
Ham. By-Pr. C.	5	'55	101½	104½	101½
Inter-City Bak.	5½	'48	103	106	103
*Int. P.&P. Nfld.	4½	'68	102	105	102
Lake St. John P. & P.	5½	'61	74½	77½	71
†Maple Leaf M.	3	'58	57	60	56½
Massey-Harris	4½	'54	94	97	93½
McColl-Fron.	4½	'49	102½	105½	102½
McCormick's	4½	'52	90½	93½	90
*M. & O. Paper	6	'45	26½	29½	26
Nat. Grocers	4	'47	101	...	101
N. S. Stl. & Co.	3½	'63	83½	86½	83½
Pres. E. Dome	5	'43	101½	104½	101
Price Bros.	6	'57	91	94	91
*Prov. Paper	5½	'47	103½	106½	103½
Reliance Grain	5½	'53	85	88	86
Rolland Paper	4½	'51	103½	106½	103½
Simpsons Ltd.	4½	'51	99½	102½	99½
Smith, Howard	4½	'51	103½	106½	103½
†Steel of Can.	4½	'40	104	107	104
*United Gas	6	'43	103½	106½	103
United Gr. Grs.	5½	'48	95½	98½	95
†Western Grain	6	'49	36	39	36

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.

Mining Dividends

	Rate	Close July 24	Yield %
Beattie Gold	15c	1.28	11.7
Bralorne	80c+30c	12.50	*8.8
Buffalo Ankerite	$1	11.50	8.6
Bulolo Gold	$3	23.50	12.7
Can. Malartic	9c	.75	12
Cariboo Gold	16c+4½c	2.25	*9.1
Central Patricia	16c+4c	2.50	*8
Coniagas	25c	1.80	..
Coniaurum	15c	2.00	..
Cons. Smelters	$1+$1	44.50	*4.4
Dome Mines	$2	33.00	6
Falconbridge	30c	5.55	5.4
Goldale	†2c	.20	..
Gunnar Gold	6c	.49	12.2
Hedley Mascot	12c+4c	.80	
Hollinger	65c+45c	15.25	
Howey Gold	3c	.33	
Hudson Bay	$1.50	33.25	
Inter. Mining	40c	7.00	
Int. Nickel, com.	$2	49.50	
Island Mountain	10c	1.14	
Jack Waite	†1½	.20	
Kerr Lake	5c	.30	
Kirkland Lake	8c+2c	1.50	
Kootenay Belle	16c+4c	.80	
Laguna	†5c	.12	
Lamaque Gold	30c+15c	6.90	
Lake Shore	$4	41.50	
Lava Cap M.	11c	.72	
Leitch	6c	.87	
Little Long Lac	30c	3.00	
Macassa	20c+5c	4.75	
McGillivray Coal	3c	.21	
McKenzie Red Lake	12c	1.28	
Moneta	9c	1.09	
McIntyre Porc.	$2	57.75	
Noranda	$4	80.50	
Nipissing	15c	1.36	
North Empire	80c	9.25	
O'Brien Gold	†10c	2.40	
Pamour Porc.	8c	2.53	
Pato Cons.	10c	2.20	
Paymaster	2c	.45	
Perron Gold	16c	1.99	
Pioneer, B.C.	40c	2.40	
Pickle Crow	40c	4.85	
Placer Develop.	$1.20	13.00	
Premier	12c	1.85	
Privateer Mine	15c+2c	1.32	
Quebec Gold	†2c	.44	
San Antonio	14c	1.82	
Sheep Creek	16c+2c	1.20	
Silbak Prem.	12c	1.25	
Siscoe	12c	1.19	
Sudbury Basin	5c	2.20	
Sullivan Cons.	5c	.81	
Sylvanite Gold	20c+5c	3.40	
Teck-Hughes	40c+5c	4.20	
Toburn	8c+6c	1.90	
Ventures	15c	4.90	
Wright-Harg.	40c+30c	8.15	

*Yield including bonus. †Initial.

Municipal Bonds

July 25, 1939

†Halifax	5	1961	114.00	115.50
Hamilton	5	1950	112.10	113.5
Montreal	5	1945	99.50	101.0
Ottawa	4½	1945	107.45	108.9
†Quebec	5	1959	107.50	109.0
Saint John	5	1950	107.50	109.0
†Toronto	4½	1955	113.15	115.1
†Vancouver	5	1950	98.50	101.5
Winnipeg	5	1944	101.00	104.0

†Payable Can. and N.Y.

Investment Trusts

	Bid
Affiliated Fund	3.49
Can. Amer. Trust	3.20
Can. Inv. Fund	3.8
All Can. Trustee	12.2
Trans-Canada	11.6
Grouped Income	4.8
Can. Int. Tr., modified	3.0
Do., unmodified	6.9

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass ...	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 2	Sept. 15
Aluminum, p.	$1.50	Sept. 1	Aug. 15
Ang. Can. Tel., pf.	68¾c	Aug. 1	July 15
Ault & Wiborg, p.	$1.37½	Aug. 1	July 15
Assoc. Tel. & T., p.	49c	Aug. 15	Aug. 1
Do., $6 pref.	42c	Aug. 15	Aug. 1
Bank of Montreal ..	$2	Sept. 1	July 31
Bank of Toronto ..	$2.50	Sept. 1	Aug. 15
Beatty Bros. 1st pf.	$1.50	Aug. 1	July 15
Beattie Gold	5c	Aug. 15	July 31
B. C. Tele., 2nd pf.	$1.50	Aug. 1	July 17
Buff. Ankerite	25c	Aug. 15	Aug. 1
Can. Indust., A. B	$1.50	July 31	June 30
Can. Inv. Fd. sp. ord.	4c	Aug. 1	July 15
Coast Brew.	3c	Aug. 1	July 17
Crown Cork	40c	Aug. 15	July 31
Can.-Malartic	3c	Aug. 4	July 18
C. Bk. of Commerce .	$2	Aug. 1	June 30
Coniaurum M.	5c	Aug. 8	July 24
Can. South. Rly. ..	$1.50	Aug. 1	June 30
Coniagas Mines ..	12½c	Aug. 10	July 29
Can. Bronze	37½c	Aug. 1	July 20
Do., pref.	$1.25	Aug. 1	July 20
Calgary Power, pf.	$1.50	Aug. 1	July 15
Commonwealth Int'l.	4c	Aug. 15	July 15
Conduits Nat.	10c	Aug. 8	Aug. 3
Can. Investors	10c	Aug. 1	July 18
Corp. Investors	5c	Aug. 15	July 29
Cosmos Imp. c.	25c	Aug. 15	July 31
Do., pref.	$1.25	Oct. 14	Sept. 30
Dom. Bridge	30c	Aug. 15	July 31
Dominion Bank ...	$2.50	Aug. 1	July 20
Dom. Tar. pfd. ..	$1.37½	Aug. 1	July 12
Dist.-Seagram, pf.,	$1.25	Aug. 1	July 15
East. Theatres, pfd.	$3.50	July 31	June 30
Farmers Tel.	62½c	July 31	June 30
Gurd, Chas., pf. ..	$1.75	Aug. 15	Aug. 1
Gen. Steel W., pf. .	$1.75	Aug. 1	July 20
Hollinger Cons., c.	5c	Aug. 12	July 29
Do., extra	5c	Aug. 12	July 28
Hyd-Elec. Sec., B p.	25c	Aug. 1	July 18
Humberstone Shoe	25c	Aug. 1	July 15
Inter. Nickel, pf. .	$1.75	Aug. 1	July 3
Inter. Metal Ind., p.	$1.50	Aug. 1	July 15
Do., "A" pref. ..	$1.50	Aug. 1	July 15
Imperial Bank	$2.50	Aug. 1	June 30
Inter City Bak. ..	$1.50	July 31	July 15
Leitch Gold	2c	Aug. 15	July 31
McIntyre Porc. ...	50c	Sept. 1	Aug. 1
Mtl. L. H & Pr. ...	38c	July 31	June 30
Mtge. Corp. N.S. ..	$1.50	Aug. 1	July 24
Nat. Biscuit, pfd. .	$1.75	Aug. 31	Aug. 15
Pacific Pr. & W., p.	75c	Aug. 1	July 25
Paymaster Cons. ..	1c	Aug. 15	July 31
Penmans	75c	Aug. 15	Aug. 5
Do., pref.	$1.50	Aug. 1	July 21
Paterson, Wm., p. .	$1.75	Aug. 1	July 20
Privateer Mine	5c	Aug. 10	July 31
Do., extra	2c	Aug. 10	July 31
Quebec Power	25c	Aug. 15	July 28
Royal Tr.	80c	July 31	July 31
Royal Bank	$2	Sept. 1	July 31
Royal Can Oils ...	1c	Aug. 10	July 28
Rolland Pap.	13c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 31
St. Law. Flour	25c	Aug. 1	July 20
Do., pref.	$1.75	Aug. 1	July 20
South. C. Pwr.	20c	Aug. 15	July 31
Sherbrooke Trust .	$1.50	Aug. 1	July 15
Sundance Rylts. ...	*	Aug. 3	July 20
Saguenay Pwr, p.	$1.37½	Aug. 1	July 14
Simpsons. pfd.	$1.25	Aug. 1	July 19
Steel of Can., ...	43¾c	Aug. 1	July 7
Do. pref.	43¾c	Aug. 1	July 7
Sec. Std. Rylts., pf.	1c	Sept. 1	Aug. 15
Shawinigan W. ...	23c	Aug. 15	July 26
Toburn Gold	2c	Aug. 22	July 21
Do. extra	2c	Aug. 22	July 21
Ventures	5c	July 29	July 18
Unit. Corp., A	38c	Aug. 15	July 31
Union Gas	20c	Sept. 15	Aug. 19
Wood, A. & J., 1 p.	$1.75	Aug. 1	July 25
Walker-G. & W.	$1	Sept. 15	Aug. 25
Do., pref.	25c	Sept. 15	Aug. 25
Weston, Geo., pf. ..	$1.25	Aug. 1	July 15
W'minster Paper ..	25c	Nov. 1	Oct. 15
Zeller's pref.	37½c	Aug. 1	July 15

*Repayment of drilling loan; amount to be announced later.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 305

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1939.

By Order of the Board

JACKSON DODDS, General Manager
G. W. SPINNEY, General Manager

Montreal, 18th July, 1939.

The Royal Bank of Canada

DIVIDEND NO. 208

NOTICE is hereby given that a dividend of two per cent. (being at the rate of eight per cent. per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Friday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1939.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., July 11, 1939.

The Canadian Bank of Commerce

Dividend No. 210

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st July, 1939, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st August next, to shareholders of record at the close of business on the 30th June, 1939. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 23rd June, 1939.

The Dominion Bank

Dividend No. 227

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st July, 1939, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 1st day of August, 1939, to shareholders of record of the 20th July, 1939.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 15th June, 1939.

QUEBEC POWER COMPANY

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ended June 30, payable August 15, to shareholders of record July 28, 1939.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, July 21, 1939.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Week in Wheat

Western Crop Prospect Is Diminished by Heat

Large Outturn Still Possible Though Hope of Bumper Harvest Recedes — Yield Estimates Go Below 400 Million Bushels

WINNIPEG.—Western crop prospects have declined materially during the past 10 days or so, more particularly in western Manitoba and in eastern Saskatchewan. Excessive heat has hurried the crop to rapid maturity in many areas, so that light, shrunken kernels are forming in a large percentage of heads.

In some parts of the country that at one time appeared to be very good, stands of grain are top heavy in relation to moisture supplies in the ground, on which, in hot weather, they make extremely heavy drafts. Earlier crops have, on the whole, probably suffered more than later ones, being at the stage when they could be forced most rapidly when the hot weather came.

This does not mean that there are not still millions of acres with a promise of an excellent harvest. But it does mean that the aggregate wheat crop possible is no longer a bumper one for the whole West.

* * *

Varied Prospects

Some millions of acres are going to have poor crops; some millions more, crops which are only fair. But more than half the total wheat acreage of the West can still produce better than average crops. Large areas, particularly in Alberta, are likely to produce much better than average. They are likely to do so, that is, if late crops do not suffer from untimely frosts, as the earliest ones suffered from untimely heat.

A sudden shift from the very hot weather of the past few days to cool weather, with a fair amount of additional precipitation could make a difference of many million bushels in the total yield.

* * *

Prices Sag Again

The steady sag in wheat prices in evidence during the past two weeks was resumed at the beginning of this week, with July and October deliveries going below the 50-cent level, and deferred months holding only slightly above. Later some resistance developed, owing mainly to a firmer trend at Liverpool and the less favorable crop prospects in the Canadian west. All markets lately have been discounting the possibility of a very large crop in western Canada. When it is fully realized that due to excessive heat the total outturn is now bound to be much less than seemed probable earlier, further reaction in sentiment may be expected.

* * *

Difficult to Evaluate

Indeed, it is difficult to evaluate correctly all the reports of damage which have been pouring into Winnipeg during the past few days. Former hopes for the crop were so high in many areas that there is a tendency to compare the present prospect, not with an average long term yield, but with the big yields earlier hoped for. If Alberta crops and those in northern Saskatchewan mature satisfactorily, it is still possible for the total outturn to be more than 400 million bushels, but it must be admitted that most current guesses at the total run under that figure.

* * *

European Crops

Outcome of European crops is still in doubt, and there is possibility of wet harvest weather cutting yields and quality materially. The trade in Liverpool is somewhat sceptical over some European Government estimates and believes conditions are less satisfactory than claimed. That is particularly so with respect to Germany, where instructions have just been issued for the inclusion of 10% of rye with all wheat flour, and the admixture of 3% of potato flour with all rye flour. Note also has been taken of Germany's evident anxiety to assure herself of wheat supplies from Roumania. That country, however, is reported as hesitant to repeat former barter arrangements with the Reich.

* * *

Liverpool to Benefit

Liverpool traders observe the present situation with complacency. What they see is the governments of the three great wheat-exporting countries, Canada, the United States and the Argentine, each in actual or prospective control of millions of bushels; and competing with each other to furnish breadstuffs to Great Britain at great losses to their respective national treasuries. There is prospect of Danubian countries joining in the competition. There is even talk of France attempting to dump further supplies of wheat into Great Britain.

Proceedings of the international wheat committee, holding its meetings from time to time in London, do not help the situation. They serve to emphasize the present overabundance of supplies, rather than to arouse expectations that any programme arrived at will result in market improvement. Nor does the accumulation of war reserves by different governments alleviate the difficulties of the market, but rather seems to intensify them. It suggests that such buying may be withdrawn from the market, or that reserves may be liquidated.

* * *

Attitude of Traders

It is quite possible that when the market does seem to have reached bottom, it may react quickly. It is at least theoretically possible that when buyers decide there is no use waiting for still lower prices, they will feel that wheat is so cheap it will pay to lay in supplies.

Traders may also remind themselves that, in the past, markets have always recovered from their extreme lows, and be tempted to regard wheat as an investment.

* * *

Coarse Grain Surplus

Coarse grain prices have been subject to a special depressing influence. Farmers last fall withheld from the market great quantities of oats and barley in the hope of a rise in prices later in the season. Now with an abundance of feed in sight for the coming year, they are bringing out supplies which they do not expect to be able to use on their own farms. There is even some barley of the new crop already coming to market from some of the early districts in Manitoba.

Prospects of a big crop in the United States are holding down feed grain prices in the international market. Liquidation of livestock during the drought years reduced the demand for feed grains in western Canada, and a steady advance in the use of tractors to replace former horse power operations continues to reduce the need for oats.

DIVIDEND NOTICES

Privateer Mine Limited

Dividend No. 3

NOTICE is hereby given that a dividend of five cents per share plus an extra of two cents per share has been declared by the Directors of Privateer Mine Limited, payable in Canadian funds on the 10th day of August, 1939, to shareholders of record July 31st, 1939.

By order of the Board.

W. P. MARCHANT,
Secretary.

Victoria, B.C.
July 18, 1939.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of twenty-three cents (23c) per share has been declared on the no par value common shares of the Company for the quarter ended June 30, payable August 15, to shareholders of record July 26, 1939.

By Order of the Board.

H. G. BUDDEN,
Secretary and Assistant Treasurer.

Montreal, July 19, 1939.

DIVIDEND NOTICE

Hiram Walker-Gooderham & Worts Limited

DIVIDEND NO. 62

A quarterly dividend of 25c. a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Friday, September 15, 1939, to shareholders of record at the close of business on Friday, August 25.

DIVIDEND NO. 63

A quarterly dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this company, payable Friday, September 15, 1939, to shareholders of record at the close of business on Friday, August 25.

By Order of the Board,

FLETCHER RUARK,
Secretary.

Walkerville, Canada
July 17, 1939.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 321
EXTRA DIVIDEND NUMBER 55

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 12th day of August, 1939, to shareholders of record at the close of business on the 29th day of July, 1939.

Dated the 22nd day of July, 1939.

I. McIVOR,
Assistant-Treasurer.

Wheat Board May Run Pool For Surpluses

Will Likely Handle Grain Ineligible For 70-Cent Rate

From Our Own Correspondent

WINNIPEG—The Canadian Wheat Board, while limited to accepting 5,000 bushels of wheat from a single farmer or a single farm at the 70-cent minimum, will likely also operate a pool to handle surplus wheat from farms producing in excess of that quantity. Such action would be under the new Wheat Co-operative Marketing Act, which in effect guarantees an average selling price of 60 cents a bushel (basis No. 1 Fort William) to a selling agency operating a co-operative pool plan.

Such a selling agency could be set up by a co-operative association, or by an elevator company, or group of companies operating one hundred or more elevators.

Proclaiming of the Act this year was unexpected. Until the recent decline in wheat prices, no demand for its operation this year was anticipated as the Wheat Board offers ample facilities for those who want to make use of a pool selling system at a uniform price. The majority of large operators growing more than 5,000 bushels of wheat are likely to want to do their own selling, and will do so unless they can get a price higher than the market through some other channel.

Proclaiming the Act this year in effect extended a guarantee of a minimum price to quantities in excess of 5,000 bushels. Probably the minimum price guarantee will be from 50 to 55 cents, compared with the Wheat Board basis of 70 cents, as a margin must be retained to take care of operating and carrying charges on wheat handled.

Want Central Body

As soon as the Act was proclaimed different organizations in the trade began to discuss plans for setting up a number of different pools under it. There is a general feeling, however, that an undesirable market situation would develop through having a number of different selling agencies in the field, competing for a share of the market with the Board.

Suggestion has therefore been made to the Board that it set up the necessary machinery to operate under the Wheat Co-operative Act, in which case the Government would probably not authorize any other agency to operate. An administrative difficulty is that the Wheat Board is under the administrative control of the Minister of Trade and Commerce, and the Wheat Co-operative Marketing Act under the Minister of Agriculture.

Such difficulties will be resolved if the market remains above the minimum initial price that could be paid under such an arrangement.

Curb on Evasions

To ensure that no more than 5,000 bushels will be delivered at the 70-cent price by a single farmer or from a single farm, the Wheat Board is planning to issue permits. These must be presented and endorsed each time that delivery of wheat is made to the Wheat Board. Before a permit is valid a declaration will have to be sworn to by the farmer that his land is correctly described.

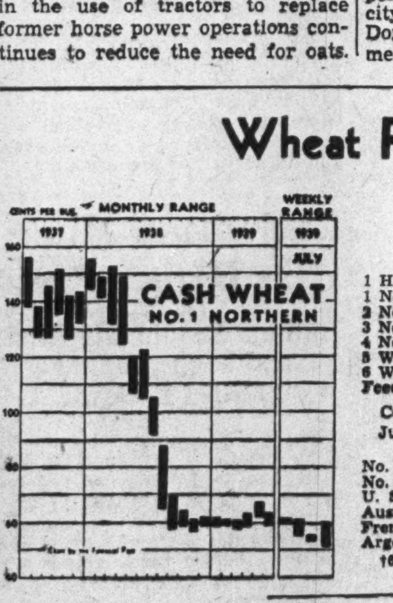
Such a system will apparently preclude delivery of wheat to mortgage companies for sale to the Wheat Board. Instead it would appear that the creditor will have to get a farmer to sell any crop share to which it is entitled for its account.

The great majority of farmers, of course, do not produce as much as 5,000 bushels. Cases are heard of where large farms are being subdivided, among members of a family or by a system of leases, in order that the Wheat Board restriction may be overcome. This apparently can be done where the separation of interests is bona fide.

Illegal evasion of the restriction will possibly not be frequent. The sworn declaration is a deterrent, but possibly a more powerful deterrent will be the danger that anyone assisting a producer to get around the law might retain money paid for wheat entrusted to him for marketing.

Ottawa paid $199,922 toward the cost of relief for the first six months of the year. Total cost was $656,270 a decrease of $116,638 from the same period in 1938. Since April 1, the city has been paying 20% and the Dominion and provincial Governments, 40% each.

Wheat Prices



(Cash Quotations)

For Week	July 25 High	July 25 Low	Prev. Week High	Prev. Week Low
1 Hard	.55¼	.50⅞	.56½	.55¼
1 Northern	.60⅜	.51⅜	.55⅝	.54¾
2 Northern	.51⅛	.47⅛	.52⅛	.51¼
3 Northern	.46¾	.42⅜	.47⅛	.46¼
4 Northern	.44¼	.39⅝	.45⅝	.44¼
5 Wheat	.39¾	.35⅜	.40⅛	.39¼
6 Wheat	.35⅜	.31⅝	.36⅛	.35¼
Feed Wheat	.35¼	.30⅞	.35⅝	.34¾

Combined Export Prices:
July shipments.

	Week to July 25	
No. 1 North. (Vanc.)	.69⅝	.64⅛
No. 3 North. (Vanc.)	.62¼	.58⅝
U. S. Hard Winters	.56⅛	.53⅛
Australian (afloat)	.58¾	.54¼
French, soft	.49¾	.49⅛
Argentine Rosafe†	.63½	.62½

†63½ lb. May.

Winnipeg Grain Futures

Week to July 25, 1939

Crop year from Aug. 1, 1938 High	Low		Open July 19	High for week	Low for week	Close July 25	Close year ago
		Wheat					
.67⅞	.49¾	July	.54⅜	.54⅜	.49¾	.50⅜	.90⅞
.68⅜	.49⅝	Oct.	.54¾	.54¾	.49⅝	.50⅝	.76⅝
.68⅝	.50	Nov.	.56½	.56½	.50	.52⅛	.76
.68⅝	.51⅜	Dec.	.56⅝	.56⅝	.51⅝	.52⅛	.75¼
		Oats					
.32	.22⅞	July	.26	.26¼	.22⅞	.23	.37¼
.31½	.23¾	Oct.	.26¾	.26¾	.23¾	.24	.33⅜
.30	.23¾	Dec.	.25⅜	.26	.23¼	.23⅜	......
		Barley					
.41¾	.32¼	July	.34½	.35⅛	.32⅛	.32⅜	.46⅜
.41½	.31½	Oct.	.34¼	.35⅛	.31⅛	.32	.45⅜
.41	.31⅛	Oct. (new)	.34¼	.35	.31⅛	.31⅛	......
.40½	.32⅛	Dec.	.34¼	.35¼	.32⅛	.32⅜	.43¾
		Flax					
1.59	1.39	July	1.41	1.41	1.40½	1.34	1.44½
1.48	1.28½	Oct.	1.33	1.33	1.28⅛	1.29	1.45⅛
1.31	1.25¼	Dec.	1.26¾	1.26¾	1.25⅛	1.25⅛	......
		Rye					
.51¼	.35	July	.37½	.37½	.35	.34⅝	.46⅛
.51¾	.35¾	Oct.	.39¼	.39⅝	.35¾	.36	.46⅝
[illegible]	[illegible]	Dec.	.40½	.40⅝	.39	[illegible]	[illegible]

Elevator Securities Look Up As Western Drought Era Ends

(Continued from page 1)

At times a good deal of grain has been stored there for long periods which might have been stored just as well in the West.

Benefit Varies

Of all the companies in which there is a public investment interest, the coming year should bring the greatest contrast to the Western Grain Company. The greater part of that company's elevator system lies in the district which was afflicted by drought for so many years. The Alberta Pacific will benefit from two good crops in succession in Alberta, and the fact that some areas in Alberta where it is well represented are likely to have this year the first good crop for a long period. A considerable number of that company's elevators are in western Saskatchewan, and should be able to handle a volume of grain far greater than for the past six years. The Federal Grain with a greater percentage of Saskatchewan elevators should experience a greater proportionate change.

The territory served by the Bawlf Grain Company in Saskatchewan promises to produce a much larger crop than last year, when a good deal of crop in its territory was destroyed in Saskatchewan. It serves some of the Alberta area where crops were excellent last year, but also parts of that province where considerable improvement this year is likely. Elevators of United Grain Growers Ltd. are well distributed in all three provinces, with comparatively few in the worst part of the old drought area. It consequently suffered somewhat less than some of the other companies during the worst of recent years. The Reliance Grain Company, largely interested in forwarding and export, is proportionately somewhat less interested in country elevator business than some of the other companies.

Eastern Elevators

Elevator companies in eastern Canada are in a somewhat different position from those in the West. They are not faced with the possibility that crop failures in sections where their country elevators may be located will mean a sharp drop in volume of grain handled in any year.

The functions of the eastern elevators are largely those of storage of surplus wheat, distribution of grain from western Canada or eastern Canadian sources to local millers in Ontario or Quebec and the handling and forwarding of grain both from eastern growers and those in the West. Then they also have occasional opportunities to benefit from an incoming movement of grain, usually corn or feed grains, that are grown in other countries and brought into Canada for feed or other purposes.

One factor that has probably aided elevators on lake and river ports in the past year has been that which has hurt the western elevators. As already mentioned a good deal of grain has been stored in the east while awaiting final disposition that would formerly have been stored in the West.

Located almost entirely on lake or river ports, elevators in eastern Canada receive their grain for storage or handling largely by boat and forward it either directly for export by water or distribution by rail to milling firms.

In the final analysis, however, the factors that make for greater prosperity among elevator companies in the West are also of benefit in the East.

May Divert Shipments

By the recent Canada-Great Britain-United States trade treaties, preference which Canadian wheat formerly enjoyed in the British markets disappeared. One provision of this preference was that the wheat, in order to qualify, had to be shipped through a Canadian port. This naturally meant business for both the privately-owned elevators and the Government-owned terminal elevators at the ocean ports.

Now it is no longer necessary for Canadian wheat to be shipped via Canadian ports. In the winter particularly when many eastern Canadian seaports are ice-bound, much Canadian-grown wheat is likely to reach world markets by way of U. S. ports. The result may be some loss of storage and handling revenues for eastern terminal elevators, not to mention Canadian ports and transportation systems.

As an offset, however, the likelihood is that large crops and slow sales will mean accumulation of a substantial surplus of wheat in this country. This has to be stored and handled. The prospect seems to be, therefore, that there will be plenty of grain to occupy available elevator space for the coming months.

Not Active Traders

For the most part, securities of elevator companies are inactive. For some of the companies, bond issues constitute their only public interest, others have stocks that are traded. While bond interest payments have been maintained by most of the companies included in this analysis, not many of them have been able to keep up payment of dividends. Toronto Elevators, Goderich Elevator, Three Rivers Grain and Elevator Co. have maintained payments on preferred or common stocks but the others have been forced to pass dividends.

How some of the more actively traded securities of elevator companies have reacted to crop news in the past few months is illustrated by the following tabulation.

Bonds		July 18	May 16	Year ago
Alta. Pacific, 6/46		90½	79½	83½
Federal Grain, 6/49 ..		91	80½	92½
Reliance Grain, 4½/52		86	88	92½
United Grain, 5/48		95	91½	94½
Western Grain, 6/49 ..		38	24½	48½
Stocks				
Alta. Pacific	pfd.	21½	14½	28
	com.	2¼	1¾	4½
Bawlf Grain	pfd.	15	15	25
	com.	1.10	0.70	2
Toronto Elevators	pfd.	44	42½	42
	com.	13	11	17
Federal Grain ...	pfd.	21	14¾	37
	com.	¾	¾	3¼
Goderich Elev. ..	com.	6⅜	5¾	6
Reliance Grain ..	pfd.	32	24	59
Western Grain ..	pfd.	3¼	2⅝	11

Western Grain Co. is understood to have handled a much larger volume of grain in the year just closing. A net loss of $420,866 was reported for the year ended July 31, 1938. Interest and sinking fund payments of the company's first mortgage bonds are in default from July 2, 1937, and no moves have yet been made for any adjustment. Of the company's 279 country elevators, five are in Manitoba, three in Alberta and 271 in Saskatchewan. As the majority of the company's elevators are in southern Saskatchewan, it has suffered more than others from the repeated crop failures in this district but can also show proportionately greater improvement on the basis of better crops.

Federal Grain Co. maintained interest and sinking fund payments on its 6% first mortgage bonds. Dividends on the preferred are in arrears from Feb. 1, 1931, a total of $55.25 a share as at July 1 of this year. A net loss of $71,295, before depreciation for the year ended July 31, 1938, compares with a loss of $84,611 in the previous year after providing for $110,113 depreciation. The company had no bank loans and $1.4 million cash on hand a year ago. Of the company's 403 country elevators 54 are in Manitoba, 76 in Alberta and 273 in Saskatchewan of which 100 are south of the C.P.R. main line.

United Grain Growers was unique among the elevator companies in that it reported better results in the year ended July 31, 1938, than in the preceding period. Net profit was $3,787 compared with a loss of $125,322 in 1936-7. No provision for depreciation was made in either year on country and terminal elevators. This company has been able to meet all interest requirements and at the date of the last report was ahead on its sinking fund payments. Last dividend on the common was 75 cents a share paid Sept. 1, 1936. The company operates 440 country elevators in the three prairie provinces as well as handling feed, coal and farm supplies. Stock is largely owned by grain growers in the territory served.

N. Bawlf Grain Co. has no funded debt with the exception of $205,000 subsidiary bonds and $500,000 of its own bonds pledged to bankers as collateral. The company reported a net loss of $148,470 for the year ended July 31, 1938, as compared with a loss of $90,847 in the previous year with no depreciation provided in either period. No dividends have been paid since Dec. 1, 1930, and arrears were $55.25 a share on the preferred at June 1, 1939. The company owns or controls 141 country elevators in the three Prairie Provinces and terminal elevators at Port Arthur.

Alberta Pacific Grain Co. had net earnings of $284,722 in the year ended June 30, 1938, compared with $319,138 in 1936-7. After all charges net loss was reduced to $50,800 from $134,504. Interest requirements have been met on the 6% bonds, but sinking fund payments have been postponed until working capital is strengthened. Arrears of dividends on the preferred stock amounted to $63 a share at June 30, 1939. The company operates 363 country elevators of which 284 are in Alberta and 99 in Saskatchewan.

Reliance Grain Co. lost $144,146 in the year ended Dec. 31, 1938, without making any provision for depreciation against a net loss of $86,988 for 1937 when $86,478 was provided for depreciation. Bond interest was materially reduced by refunding operations in 1936. Present bonds require redemption of $80,000 principal annually. This company had paid regular preferred dividends up to the end of 1937, but has made no payments since then. The company owns or controls 192 country elevators in western Canada.

Goderich Elevator & Transit Co. operates four terminal elevators at Goderich, Ont. In the year ended March 31, 1939, traffic results were the heaviest in seven years and the company earned 59 cents a share on its common against 13 cents in the previous year. Dividends of 50 cents annually have been paid for the past six years. Interim statement issued at the end of June pointed out further increases in volume of grain handled and mentioned good prospects for the balance of the year. This company has no bonds or mortgage liabilities.

Toronto Elevators, Ltd., experienced the first net loss in its history in the year ended July 31, 1938. Net loss was $255,697 without any provision for depreciation as compared with net profits equivalent to $6.49 a share on the preferred in the previous year. Regular dividends have been paid on the preference stock and $1 a share paid on the common Oct. 30, 1937, but no payments have been made on the latter stock since then. The company owns a terminal elevator and feed plant at Toronto and through a subsidiary another terminal elevator at Sarnia, Ont. The Sarnia elevator was subject to liens of $494,751 at the date of the last balance sheet. Operating results for the current year have been greatly improved and it is thought that net profits should be sufficient to cover the preferred dividend.

Collingwood Terminals has had to arrange for compromise of its liabilities to the town of Collingwood until July 31, 1939. The company had a profit of $16,448 in 1938 against a loss of $8,902 for 1937. No dividends have been paid since 1932.

North American Elevators operates a terminal elevator at Sorel, Que. In the year which ended April 30, 1939, the company handled in the neighborhood of 40 million bushels of grain, around three times as much as in normal years. This was due to movement of U. S. corn to export markets in addition to the regular handlings of Canadian grain. This corn business is unusual and so far this year has not been duplicated. When final results for the year just closed are prepared, the company should show a good profit in contrast to the loss of $26,275 in the year ended April 30, 1938. Bond interest has been paid regularly but no dividends have been paid on either the first or second preference since 1935.

Three Rivers Grain & Elevator Co. operates a terminal elevator at Three Rivers, Que., with dockage facilities for river and ocean vessels. Site is leased from the Dominion at an annual rental of $4,035. The company has a bond issue of $300,500 outstanding on which requirements have been met.

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Alberta Asks Ottawa Aid In Cancelling Farm Debts

From Our Own Correspondent

EDMONTON.—Provincial Government representatives are negotiating with Dominion authorities on a plan of debt cancellation covering advances to farmers during the period 1908 to 1922. The province is acting under the Relief Indebtedness Act passed at the last Legislature session, but seeks the aid of Ottawa in cases where debts involve both Governments jointly.

Old advances during the 1908-22 period total about $3,821,000 provincially and $688,850 from the Dominion. The Dominion has not yet agreed to an unconditional cancellation. The advances cover amounts given for seed, feed and fodder and other relief measures to farmers. Cancellation of provincial advances during that period already has been arranged.

London, Ont. city council has approved a draft agreement from the Federal Department of Transport for a municipal airport. The city may have to authorize expenditures up to $75,000, including cost of land for the site.

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The Week in Mining

Kirkland's South Zone To Get Full Testing

Formation of New Enterprise Assures International Mining Corp. and Ventures Money For South Part of Kirkland Camp

Assent of Canadian Kirkland and Kirkland-Hunton shareholders to amalgamation of their properties with certain other private holdings in a new company, Amalgamated Kirkland Mines, assures a large sector of the Kirkland Lake south zone will receive a test under expert direction. The recent deal was negotiated by W. J. McDonough, Toronto mining engineer, and International Mining Corp. and Ventures are participating in the financing.

Outside exploration in the Kirkland Lake area has been on an increasingly important scale in recent months with the north break, north of the main producing zone, receiving the bulk of attention. Interest has centred around the drive going north into the Kirkland Basin property from Lake Shore and if press reports are correct, some ore from Kirkland Basin property may already be going to the Lake Shore mill. Confirmation of this cannot be obtained, however.

Amalgamation of a large number of claims in the southern portion of the camp now allows a scientific approach to exploration here, with efforts restricted to the best showings. If success is met with, rewards could be very large.

* * *

Copper Active

Consumption of copper in July has apparently been on a much heavier scale than in June when world stocks of refined copper dropped 7,228 tons, or a total drop of 18,630 tons for combined refined and blister stocks. An increase of an eighth of a cent a pound for domestic U. S. copper at the end of last week by Kennecott Copper Co., one of the large U. S. producers, is stated to be a result. While this is of no direct benefit to Canadian producers, the price rise is viewed as significant, as apparently large July purchases are not interpreted by the U. S. industry as just a temporary improvement in demand.

Feature of the U. S. export market in July was purchase of 50,000 tons of copper by a European government, believed to be France. This figure looms large when it is realized that exports of copper from the U. S. in June totalled only 10,289 tons and the United States domestic consumption was just 53,573 tons.

If world copper consumption continues to draw away from world production, and this appears possible with improving business in the United States, there is a distinct possibility of a higher price than the quotation of less than 10½c. a pound, now being asked for N. Y. export copper. A runaway market such as in 1937, when copper hit the 17c. mark, is not expected to be repeated, however. The International Copper Cartel is endeavoring to keep the price of copper as stable as possible and much unused capacity remains under its control.

* * *

Starting Exploration

Decision of Wright-Hargreaves to go out prospecting for other properties is not unexpected. Such a move was predicted in The Financial Post more than half a year ago. It is known that several of the Wright-Hargreaves directors have long felt very strongly that the company should be looking to the problem of maintaining its corporate life and taking its part in the continued development of the Canadian mining industry.

A nice surplus has been built up over the years, about $4.7 millions, more than $200,000 being added in the 1938 fiscal year, despite the very generous dividend policy of the company. Last year, earnings per share were 74 cents, dividends per share, 70 cents. The company can well afford a stout prospecting fund and shareholders should be better off, too.

The old aphorism that when things look best is the time to step carefully probably holds true for mining. Wright-Hargreaves seems to be in wonderful condition for many profit-making years ahead. But, then, mine-finding and mine-making are slow processes.

* * *

Doodle-Bugs

News from the B. C. coast may have very important implications for mining if preliminary reports are correct. F. W. Redfern, an Englishman long interested in metallurgy, and Louis Turenne, a research engineer of Paris, are stated to have produced a doodle-bug which actually works. A. N. Wolverton, well-known B. C. broker, vouches for the doodle-bug's ability to detect not only gold but various other metals, while Cariboo Gold Quartz is stated to have already made use of Mr. Redfern and the new invention.

Apparently the new divining rod works on a principle of electrons given off by various metals, radiations being picked up by a number of cartridges. Metals can be located to a depth of 170 ft., it is claimed, and some statement can be made as to the importance of the concentration. Whether the latest doodle-bug will be added to the long list which has already been relegated to oblivion will remain for time to tell. It appears to have better sponsorship and more claims to merit than most of its predecessors.

Copper deposits in Spain covered by hundreds of feet of overburden were accurately discovered many hundreds of years ago and some are still being worked to this day. Evidently shafts were sunk right at the ore bodies' location even without surface indications. Some form of doodle-bug evidently existed then.

* * *

New Placer Mining

Placer mining tests now taking place in the vicinity of Milnet and Capreol, just north of Sudbury, continue to attract considerable interest, with two companies at present operating and employing about 40 men. The Onwatin Placer Mining Syndicate has 2,700 claims staked and 36 square miles leased along the Vermilion river, where numerous test pits have been put down in the sand and gravel, yielding assays of 45 cents to $2 per cubic yard in gold.

Within a few weeks, it is stated, an excavator with a capacity of 1,000 cubic yards per day will be put to work, the material being fed to a Fahrenwald flotation machine, devised for the extraction of fine placer gold. Concentrates obtained from the treatment are to be shipped away. Recovery will depend upon what shows on mill tests, officials state.

Aother company, the Meteor Lake Mining Syndicate, is working at Norman Beach, just out of Capreol, where several years ago operators did some development work.

* * *

The Busy Spot

Most active district in prospecting in Manitoba centres around Cranberry Portage. Despite rumors that Gurney Gold is not happily situated as regards its ore reserves, many believe Gurney will eventually work itself out of its difficulties and in any event the area is held to be rich in possibilities.

In the past week two large capacity drills have been shipped from Winnipeg to Cranberry Portage. The most recent acquisition was made by A. L. Stewart, when he purchased a drill with a depth capacity of 1,000 feet. He plans to use it on the Brunne and Copper Lake Telluride property, supplementing the drilling now being done on that property by an X-ray machine, the latter, he says, proving its value in determining the proper drilling sites for the deeper exploration.

The other drill which has been shipped north has been acquired by the Winnipeg syndicate on a rental arrangement and will be used first in the Cranberry Portage section where the Laura Gold mine property will be given some further drilling, and afterwards on a number of properties in the general area and also at Elbow Lake.

* * *

Iron Resumed

Once again, Canada is to have an iron producer. The New Helen Mine of Algoma Steel Corporation has been under development for the last year and a half. Next month it is expected to be in full operation..

Not since 1923 has Canada produced a ton of iron ore. Much has yet to be done at Joseph Errington's Steep Rock project before chances of production can be determined. New Helen, then, seems to open a new era.

Ore is now being shipped 2½ miles by aerial tramway to the sintering plant where operations should be in full swing in a couple of weeks.

The first unit is designed to produce 300,000 tons of sintered ore (51.5% iron) a year and the installation has been planned for enlargement. An official statement says that 200,000 tons of the sinter will be marketed (where, it is not said) and the remainder, 100,000 tons, will be used at the parent company's blast furnaces at Sault Ste. Marie.

* * *

New Enterprise

Almost every day now is bringing new foreign enterprise to peaceful Canada. One of the latest brought to our attention is in the mining equipment field. Werf Conrad, of Haarlem, Holland, who has been putting machines in mines around the world, has just entered the Canadian field, naming as representatives Steele and MacFarlane of Maple Creek, Sask.

Western Australia Assists Activities of Prospectors

In 1933 Western Australia passed legislation for the assistance of prospectors and at the end of 1938, 725 prospectors were receiving assistance, making a total of 7,354 who had so far received help. The total cost of the scheme to the end of 1938 amounted to £192,748 while refunds from successful prospectors had been $35,464.

Since the Commonwealth Government contributed £80,904 to the cost of the scheme the state Government was relieved of a large part of the burden. The plan was to assist prospectors who were operating lodes not quite rich enough to form a break-even proposition, for it is stated that after payable gold was found men went off assistance and record of their subsequent production was not available. As it was, assisted prospectors crushed 49,450 tons of ore with a recovery of 25,347 oz. of gold.

Mining Trust Plans Offering Canada, U.S.A.

Registrations in Canada and United States Applied For

Canadian Mineral Equities, the British-type investment trust sponsored by Canadian interests to which English investors have already subscribed $600,000, has made registration application for sale of its shares in the United States and Canada, The Financial Post is informed. An offering of shares in this country is expected shortly.

The prospectus issued in connection with the recent offering of stock in England reveals that the company's investment field is restricted chiefly to the more seasoned type of mining security. Quoting from the prospectus, investment of funds is regulated as follows:

"51% of net assets must be maintained in the shares of dividend paying companies either operating mines or identified with the mining industry.

"30% of the net assets may be invested in the shares of other companies which have reached or are about to reach the milling stage.

"19% of the net assets may be invested in the shares of mining companies or companies identified with the mining industry whose properties are under development."

More in Dividend Payers

The Financial Post is informed that present plans call for investing a much larger percentage of funds in dividend paying stocks and a much smaller percentage in development properties.

Not more than 10% of the funds may be invested in any one security, although there is provision for "temporary" investment in Canadian, British, or United States Government bonds.

Dividend policy, the prospectus states, "is to distribute an amount approximating the total earnings of the company from investments less expenses."

Purchase of shares on margin is prohibited, but there seems to be nothing in the charter to prevent the company taking an option on blocks of stock.

Limit Expenses

Officers of Canadian Mineral Equities claim that expenses will be very reasonable. Commission to be paid on the sale of treasury shares has been fixed by the charter at not more than 5% of the amount realized on the sale of securities. Remuneration of all directors and the executive committee is similarly limited to not more than ¼ of 1% of the issued capital stock calculated at $5 per share.

Charter makes no statement about the costs of managing the fund. Canadian General Securities, the manager, will require little or no new organization and no new executive talent to handle the Canadian Mineral Equities fund and has a record of low-cost management with the investment funds it already manages.

Beattie's Profit Shows Decline

Operating Costs Record Slight Increase — Tonnage Up

Profits of $263,792 are reported by Beattie Gold Mines for the three months ended June 30, 1939, compared with $274,160 in the first three months of the year, before taxes, depreciation and deferred development. Capital expenditures during the second quarter were lower at $9,941 as against $34,519 for the first quarter of the year.

Production was down slightly with net income from metals amounting to $603,188, or about $3,400 less than in the previous three months. Tonnage of ore milled showed an increase, however, amounting to 155,525 tons up from 150,820 tons the first three months.

Operating Statement
Three Months Ended

	June 30 1939 $	Mar. 31 1939 $
Net metals income ...	603,188	606,488
Devel. & oper. exps. ..	340,206	332,789
Est. oper. profit	262,982	273,699
Add: Non-oper. rev. ..	810	461
Total profit†	263,792	274,160
Tons milled	155,525	150,820

†Before taxes, depreciation and deferred development.

Buena Vista Reports Loss For Six Months' Period

An estimated loss of $92,150 was experienced by Buena Vista Mining Co. in the six months of operation ended March 31, 1939, according to a statement supplied The Financial Post by Big Missouri Mines Corp., a large shareholder. Operating profit before provision for taxes and write-offs amounted to $92,499, however, after all operating charges had been deducted from bullion production of $317,388.

Taxes and write-offs totalled $179,590, the largest item being $120,282 for depletion. Depreciation charged was $56,220 while taxes absorbed $3,087. After miscellaneous adjustments for rents, provision for future development, etc., net loss was as reported above.

Grandoro Mines Reports $4,325 Profit For Year

Net income of $4,325 is reported for Grandoro Mines for the fiscal year ended March 31, 1939, after all charges. As at March 31, 1939, current assets were $82,776 as against current liabilities of $50,813, leaving working capital of $31,963.

Included among current assets were 8,900 shares of Bralorne Mines carried at cost price of $72,998. Other investments not included in current assets amounted to $162,883. Important interests are stated to be held in Pacific Petroleums and Deep Oils, both of which own producing oil wells.

The Week in Oils

Oil Flow in Half Year Attains Record Level

Oil Industry Mourns Passing of W. S. Herron—Many Companies Currently Drilling Wells on Unproved Structures Throughout Alberta

From Our Own Correspondent

CALGARY.—Despite restrictions on the flow of crude oil from Turner Valley wells by the Conservation Board, Alberta Oil production in the first six months of 1939 set a new record, report of the Alberta Department of Lands and Mines shows. Yield for the period was 3,254,269 barrels, compared with 2,829,370 barrels in the first six months of 1938, and 961,743 barrels in the first six months of 1937.

Production from Alberta wells for June amounted to 798,170 barrels. This was 108,000 more barrels than was produced in May, representing the third highest monthly total on record. In August, 1938, Alberta produced 799,023 barrels and 867,454 barrels were produced in September, 1938. The field was then operating practically "wide open."

Alberta oil production in June, 1939, was made up as follows:

Turner Valley limestone wells, 765,048 barrels, mainly light crude.

Turner Valley limestone gas wells, 5,645 barrels of naphtha.

Turner Valley absorption plants, 23,633 barrels of natural gasoline.

Turner Valley shallow wells, 671 barrels of crude.

Red Coulee, 1,094 barrels of light crude.

Wainwright, 1,344 barrels of heavy crude.

Dina, 300 barrels of heavy crude.

Moose, 180 barrels of light crude.

Anglo-Canadian-Steveville, 255 barrels of heavy crude.

* * *

Canada Moving Up

Canada appears likely to jump to third place in 1939 among oil producing countries of the British Empire due to increased Turner Valley field production, which accounts for about 95% of all Canadian oil production.

Empire oil statistics for 1938, which are now available, show that Trinidad produced about 18,081,000 barrels of oil last year; India, including Burma, 10,081,000 barrels; and British Borneo about 6,500,000 barrels. A production of seven million barrels is estimated, conservatively, for Canada this year. If prorating were lifted and wells were operated at full capacity, regardless of efficient operation of the field, Canadian production for 1939 might possibly surpass that of India and Burma for 1938.

* * *

A Pioneer Passes

William Stewart "Won't Sell" Herron, maker and loser of millions in Alberta Oil, discoverer of the oil and gas possibilities of the Turner Valley, and one of the most colorful figures in the quarter-century history of Alberta oil development, is dead at the age of 69.

President and managing director as well as controlling shareholder in Okalta Oils, one of the largest holding and operating oil companies in Alberta, he was a large shareholder in the Royalite Oil Co., Imperial subsidiary. In addition to interests in Alberta oil companies he held extensive holdings in mining concerns, principally in British Columbia.

Mr. Herron won the nickname of "Won't Sell" in 1928 and 1929 when he refused to sell, even on the bull market prevailing at that time, his Okalta and Royalite stock. On paper, at least, he was a millionaire many times over. With the depression he saw the value of his stocks decline greatly.

Then in 1936 with the discovery of crude oil in the limestone at Turner Valley Royalties and the proving up of the Valley as a major crude oil field, "Won't Sell" staged a sensational financial comeback. The value of his Okalta stock increased greatly owing to the thousands of acres held by Okalta in the south end of Turner Valley, where the T.V.R. strike was made. Also Royalite participated in the intensive development which followed the strike and Royalite stock rose in value as Turner Valley crude oil production increased.

* * *

Turner Valley Discoverer

Born in the small community of Galert, Ont., Mr. Herron first became interested in the oil and gas possibilities of Turner Valley while farming near Okotoks, a town located about 15 miles east of the field.

After filing on thousands of acres in the Turner Valley field, he and William Elder approached the late A. W. Dingman of Calgary. As a result the Calgary Petroleum Products Co. was formed with Mr. Dingman as president. This company drilled the "discovery" well in 1913, obtaining a small production of crude oil at shallow depth. This strike occasioned Alberta's first oil boom. After the war, Imperial Oil incorporated Royalite Oil Co. (1921) to take over the old Calgary Petroleum Products Co. The discovery well, renamed Royalite 1, is still capable of producing some gas today.

* * *

Wildcats Active

Drilling of wildcat wells on various unproved structures in Alberta is continuing on a rather exensive scale. Results the last few months have been disappointing on the whole but prospects are hopeful. Rabson Oils is now drilling its first well on the Jumping Pound structure, west of Calgary, and a depth of 3,291 feet has been reached with formation logging shallower than expected. Interests behind the Altoba Canyon well, testing the Clearwater structure, have completed arrangements to finish this well which is down 2,500 feet.

Terminal Oils has its second well down more than 1,860 feet on the Del Bonite structure in the southern part of Alberta. The first well is producing around 50 barrels daily, according to reports.

The Anaconda Steveville well is down 2,840 feet on the Steveville structure with considerable gas observed. Anglo-Canadian has recently taken a 20% interest in Rainy Hills No. 3 well which is about to be spudded in. Other tests about to be spudded in or resuming drilling are: Marjon No. 5 on Whiskey Creek; National Petroleum No. 3 well on the southern part of the Waite structure; and North Taber Royalties and Border Petroleums No. 1 on the Taber structure.

* * *

Royalties Popular

The Calgary Stock Exchange is listing royalties in producing Turner Valley companies and demand for this type of investment is said by officials of the exchange to be on the increase. At present, the exchange has listed D. and D., B. and B., Royalite 38, and a few other royalties, offered in units of one hundredth of one per cent, called Calgary Stock Exchange units.

Commonwealth Letter Issued

Past Actions of Directors Criticized By President

A new letter has just been forwarded to shareholders of Commonwealth Petroleum Ltd. by President F. F. Reeve as the latest move in a bitterly-waged proxy battle between the present controlling interests headed by Mr. Reeve, and a dissenting group which formerly held control, led by D. J. Young, Commonwealth vice-president.

The latest communication informs shareholders that investigations by a chartered accountant of the company's affairs from inception June, 1927, to July, 1937, brought out information which in Mr. Reeve's view, "is so astounding I thought shareholders should know." Chief allegation is that at the inception of the company, $199,966 was paid in commissions, a large part going to directors with Senator Michener "receiving at least $22,542." Directors are said to have received $108,092 in all.

Mr. Reeve takes exception also to alleged payment of $55,000 in treasury stock to three directors, Senator Michener, S. A. Annand and D. J. Young on Aug. 1, 1932. Legal status of this as well as commission payments is questioned by Mr. Reeve. Criticism is made of a capital reduction in July, 1937, and subsequent accounting methods.

Profit of Commonwealth for the 1939 fiscal year amounted to $48,989, the letter also reveals.

Shares Taken Up

Aunor Gold Mines has informed the Toronto Stock Exchange that 1,666 shares have been taken up by John F. Conroy, Jr., at $1.80 a share, representing part of 29,166 shares under option to Sept. 10, as set out under the agreement of May 25, 1939. Issued capital is now 1,859,167 shares.

Oil News

Anglo-Canadian No. 5 well has been assigned an allowable of 791 barrels daily, making the well the third largest in Turner Valley. The well has the distinction of being the Valley's deepest producer. Gas-oil ratio and pressure are stated to be exceptionally good.

British Colonial No. 1 well has been assigned an allowable of 722 barrels daily retroactive from July 8, according to the Conservation Board. Allowable from completion, June 27 to July 8 was 696 barrels. The new allowable is based on recent tests and replaces an allowable of 765 barrels.

Winalta Royalties well which was completed recently showed a flow of 800 barrels daily last week following light acid treatments of the lower porous horizon, it is stated. Last Friday a larger treatment was given with another increase in production said to be evident.

Scottish Petroleum No. 1 well which is regarded as an important deep test on the west flank, is down 8,793 ft., 272 ft. in the lime. A 116-ft. upper porous section was encountered showing good porosity with oil indications and no salt water. The lower porous zone should be reached at any time.

Home-Millarville No. 3 well was spudded in last week and at last report was drilling below 358 ft. The well is being drilled by Home Oil Co.

Calwin Royalties is stated to have been brought in as a fair producer. After a light acid wash, preparations were made for a heavier acid treatment. Production of 300 barrels daily is reported likely.

Okalta Oils No. 8, recently completed, is expected to be one of Turner Valley's larger wells with a quota perhaps exceeding 700 barrels daily. Gas-oil ratio and pressure are stated satisfactory.

Kirkland Lake Net Shows Increase

Share Earnings Rise To 6.65 Cents During Half Year

Estimated earnings of Kirkland Lake Gold Mining Co. for the six months ended June 30, 1939, were equal to 6.65 cents a share compared with 5.93 cents in the same period of last year, according to the company's half-yearly report to shareholders. Estimated earnings in each case are before taxes and depreciation.

Production for the six months amounted to $807,876 from 47,648 tons of ore milled, for an average recovery of $16.95 per ton. This compares with output for the first half of last year of $692,728 from 45,449 tons of ore, an average recovery of $15.24 per ton.

During the first half of the year the company opened up a total of 940 ft. of new ore with an average cut grade of $17.35 per ton across an average width of 5.3 ft. General exploration is stated to have been satisfactory.

While the company is going ahead with an increase in mill capacity from 250 to 400 tons daily, some improvements to plant are being made including a new steel head frame. Additions and replacements will involve a considerable cash outlay, according to the report. It is hoped that work will be completed by the end of the year.

South Kirkland's Claims Merged

Private Claims, Canadian Kirkland & Kirkland-Hunton Involved

Approval of shareholders of Canadian Kirkland Mines and Kirkland-Hunton Mines, was given this week to amalgamation of their properties with certain private holdings in a new company, Amalgamated Kirkland Mines.

The new company will control 560 acres adjoining Teck-Hughes, Kirkland Lake Gold Mines and Macassa Mines, covering what is known as the south break of the Kirkland Lake camp. The deal was negotiated by W. J. McDonough, Toronto mining engineer, while the Ventures and International Mining Corp. interests are understood to be in the financing picture.

Authorized capital of the new company is 5 million shares of which 450,000 will be issued to Canadian Kirkland Mines, to be distributed on a one new for 10 old basis, and 333,334 shares will be issued to Kirkland-Hunton Mines to be distributed one new share for each 12 shares now held.

Financing of the new company was arranged by sale of 400,000 shares at 8 cents a share with options at varying prices on 1.6 million shares involving a total of $440,000, if fully exercised.

MacLeod to Roast Sulphides Output

Directors Authorize Construction of Plant to Reduce Costs

Directors of MacLeod-Cockshutt Gold Mines have authorized immediate construction of a roasting plant to treat the entire output of high sulphides from the company's north ore zone and for the retreatment of concentrates after cyaniding. These are being impounded at present.

The plant will be so constructed that it may be easily expanded when found desirable. Ample funds are on hand for the entire construction programme. Development of the north ore zone, which now appears to be the most important part of the mine, has been most favorable and values are fully as high as were given in the annual statement, it is announced.

Will Reduce Tailings

In May, 1939, mill heads averaged $9.64 per ton and tailings loss was $1.50; and in June, mill heads were $9.38 and tailings loss $1.61. It is expected that the tailings loss will be reduced to about 80 cents per ton with the new roaster. There will also be some saving in milling costs because of the reduced amount of fine grinding and lower cyanide consumption.

It is estimated that with the introduction of the roaster, net operating costs should not increase more than 20 cents a ton. The management believes the estimated increased savings and profits will become available in about five months' time.

Coniaurum Mines Has Higher Profit

Bullion Production Rises Although Tonnage Milled is Down

Profit of Coniaurum Mines for the three months ended June 30, 1939, amounted to $158,128, an increase over the $144,635 of the previous quarter, according to the company's quarterly statement. Figures in each case are before taxes, depreciation and deferred development.

Evidently a higher average grade of ore was treated in the mill in the second quarter, for net income from metals produced was higher at $426,387 against $410,926 the first quarter, although tonnage of ore milled showed a decline to 46,535 tons in the second quarter from the 47,795 tons treated the previous three months.

Comparative figures on results of operations are given below:

Operating Statement
Three Months Ended

	June 30 1939 $	Mar. 31 1939 $
Net metals income ...	426,387	410,926
Devel. & oper. costs ..	277,241	286,651
Est. oper. profit	149,146	124,275
Add: Non-oper. inc. .	8,982	20,360
Est. total profit*	158,128	144,635
Tons milled	46,535	47,795

*Before taxes, depreciation and deferred development.

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Mining Enquiries

St. Anthony

Is the financial position of St. Anthony Gold Mines likely to cause a reorganization? What chances are there for profitable production?

While St. Anthony Gold Mines reported a working capital deficit of $44,848 at the end of 1938, no reports have so far been received of any intention to reorganize. With almost 1.6 million shares remaining unissued in the treasury, any improvement in the financial market would allow the company to raise further funds for operations from sale of shares.

Development has been giving much improved results at the St. Anthony property and at the annual meeting held on April 12, 1939, positive and indicated ore was reported at 270,000 tons. Production has been showing some improvement in line with better development results with production for the three months ended June 30, 1939, amounting to $78,982 and average recovery over $13 per ton. So far the company has not shown important profits but officials are hopeful that this situation will be changed with an adequate supply of ore.

East Malartic

Will you kindly give me whatever information is available on the current earning position of East Malartic Mines?

East Malartic Mines is making a handsome profit on the basis of present operations and if plans for an increase in mill capacity of 500 tons daily by next November materialize, even more substantial earnings should be realized.

While official figures on earnings have not been released, figures given out on costs indicate that earnings should be running in the neighborhood of 25 cents a share per annum. It is considered likely equipment will treat an even greater tonnage of ore than at present so earnings may be increased prior to the enlarging of the mill. With the large tonnage of ore already placed in sight, officials appear justified in considering that a large increase in mill capacity is warranted just as soon as the financial picture allows.

Ore developments at depth have been particularly favorable with a length of 1,610 ft. of continuous ore at the 670-ft. level averaging $7.24 cut grade across an average width of 36 ft. Diamond drilling below the bottom level indicates that ore extends to much greater depth suggesting a large possible increase in ore reserves.

Metal Markets

In looking over copper quotations at New York, I notice that two prices are given. One is for export copper and the other for domestic. Will you tell me which is the one that Canada is interested in and the difference between these two prices?

Canadian copper producers are interested only in the export price of copper at New York as the United States tariff of 4 cents a pound is prohibitive. You will notice that the export price is usually slightly higher than the domestic quotation. This is due to export copper being sold, cost including freight and delivery charges amounting to 0.325 cents per pound. At times the domestic price has remained well above the export price, this being possible through the close understanding among American copper producers who will not usually spoil the market.

In marketing lead and zinc, Canadian producers usually look to the London market for their quotations. The price of these metals in pounds sterling per ton must be converted into Canadian dollars at the current rate of exchange and the selling price per pound can be worked out. An allowance of about one-half cent a pound is made for freight and marketing charges. London is the dominant metal market for the whole world with other markets reflecting quite closely fluctuations there.

Howey Gold

Please give me details on the present outlook of Howey Gold Mines.

Operations at the property of Howey Gold Mines in the Red Lake area of Ontario are now on a salvage basis. The main ore body has apparently bottomed around the 2,000 ft. level and ore reserves remaining are sufficient to carry operations to around the end of 1940. It is possible that some further ore may be found in mining operations which will prolong the life of the mine for a short time beyond this. As exploration has been suspended, mining costs are very low and profits, if anything have been larger than previously. Consequently, the company has been paying fairly generous dividends.

After milling operations are suspended on its property, Howey will not go out of existence as it has important liquid assets which amounted to $1,547,533 at the end of 1938, the equivalent of 31 cents a share. With market value of shareholdings taken instead of cost, break-up value of the stock in terms of liquid assets amounted to 42 cents a share. Howey is the largest individual shareholder in East Malartic Mines in which it holds over 400,000 shares. This stock was purchased at $1 a share and less. The company continues active in its search for new properties of merit and with a fine experienced engineering staff, the company appears likely to find something which will give the stock new speculative appeal.

Dominion Steel & Coal Rejects Union Request

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp. has refused a request of the Sydney Steel Workers Union that a board of enquiry be set up to investigate wages and working conditions in the company's Sydney plant.

Union representatives contend that conditions in the company's plants could be bettered without expenditure of additional money by recognition of the union as sole bargaining agency; cessation of the company's policy of maintaining working foremen; and stabilization of the working week at 49 hours.

These requests of the union have been refused on the grounds that it would mean increased costs.

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Sheep Creek's Reserves Rise

Over 50% More Ore in Reserves—Profits Higher

From Our Own Correspondent

VANCOUVER.—Greatly increased ore reserves, higher profits and a favorable report on development feature the annual statement of Sheep Creek Gold Mines, issued by President Rolf Bruhn.

Estimated ore reserves on May 31 last amounted to 132,338 tons of .465 oz. grade, compared with 86,457 tons of .393 oz. ore the previous year.

Net profit is shown at $405,432, compared with $375,525 last year.

Production was $954,635 from 54,212 tons, or an average of $17.61 per ton. In the previous year output from 53,436 tons was valued at $960,160 or $17.97 per ton.

Mining expenses were drastically reduced from $289,937 a year ago to $160,110 during the year just ended. The company's cash position was improved with cash amounting to $313,000, compared with $256,187 a year ago.

Ask Acquisition Authority

Annual meeting of the company will be held Aug. 9, when a resolution will be submitted to authorize directors to acquire and finance prospects. During the past year the company took over the adjacent Ore Hill property, which is expected to extend the company's productive life.

The Hideaway and 81 veins were the biggest producers during the past year. Ore in the Hideaway or 92 vein has continued to respond favorably, most work being done on the 8th and 9th levels below ore previously developed; also west of the Queen fault on 5 and 7 levels. Ore was lower in grade, however.

Vein 83 has proved strong, according to Manager H. E. Doelle, although values are unevenly distributed and not in definite ore shoots.

Promising Vein

Probably the most promising was vein 81, where ore grade was higher than expected. This ore shoot averaged 1.33 oz. over a width of 2.7 ft. for a length of 112 ft. on 4 level, and 1.14 oz. over 2.87 ft. for a length of 274 ft. on 7 level.

Veins 75 and 76 have been developed on 5 level only, two ore shoots having been developed on one and one on the other.

Dome Mine Profit Is Slightly Lower

In line with slightly lower production estimated earnings of Dome Mines also show a slight decrease, amounting to $2,004,820 for the six months ended June 30, 1939, as against $2,114,057 in the same period last year. Figures in each case are before depreciation, depletion and adjustments.

Based on profit as shown above, earnings were equal to $1.03 a share in the first six months of this year compared with $1.09 last year. The production was lower in spite of an increased tonnage of ore milled, 305,700 tons being treated in 1939 against 299,200 tons in 1938. Average recovery was down from $12.17 to $11.86 a ton.

Estimated Earnings
Six Months Ended June 30

	1939 $	1938 $
Gross production	3,625,179	3,640,528
Less: Devel., oper. & gen. exps.	1,325,750	1,322,633
Prov. for taxes	385,965	358,760
Outside explor. w/o	32,824	5,410
Operating profit	1,880,640	1,953,725
Add: Non-oper. inc. ..	124,180	160,332
Est. net profit*	2,004,820	2,114,057
Earnings per Share ...	$1.030	$1.086

*No allowance made for depreciation, depletion and adjustments of surplus and other reserves.

Molybdenite ore discoveries in the Michipicoten area continue to create considerable interest and examinations of finds are being made by engineers. It is reported M. Campbell, Frood Mine engineer, visited the holdings of L. H. Peters, in township 28, Range 23, and is preparing a preliminary report. V. N. Bornhart, field engineer for American Metals, last week inspected the claims of Fenton and Canfield, west of Michipicoten Harbor.

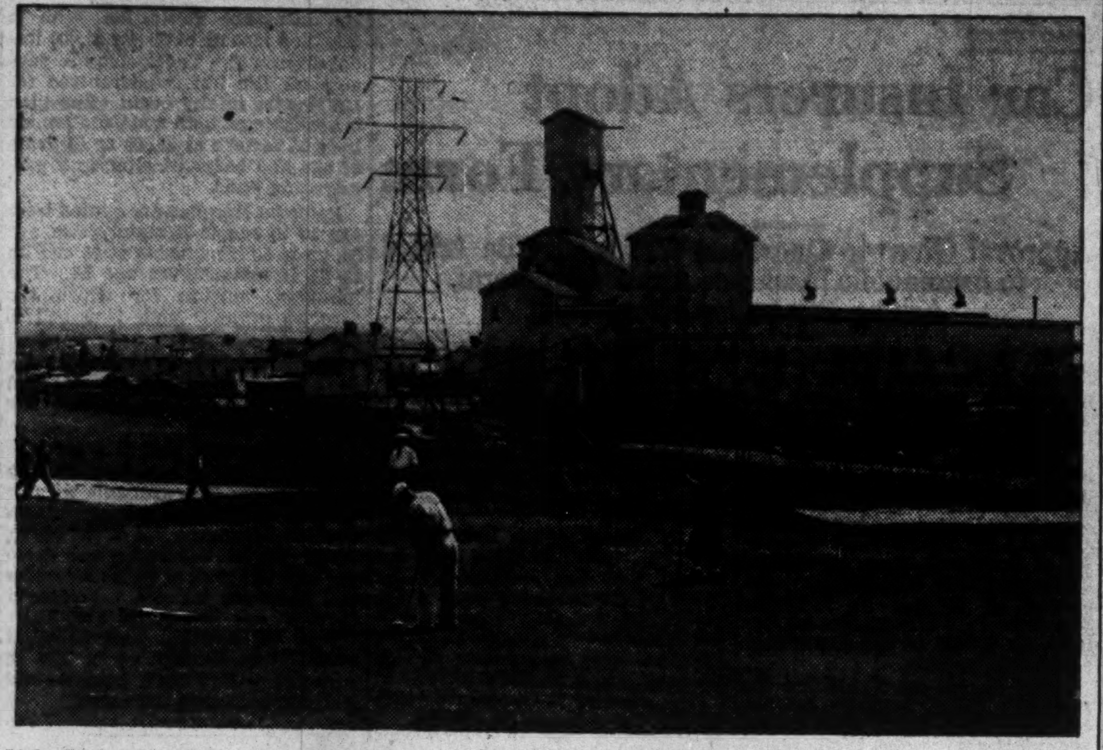
* * *

Surf Inlet Consolidated showed a considerable increase in production in June due entirely to a better average grade of ore treated. Comparative results follow:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ...	2,460	82	17.61	43,319
May, 1939 ...	2,528	82	14.55	36,792

* * *

Tomahawk Iron Mines, capitalized at $5 millions, has been organized to explore an iron-bearing zone on a property lying 16 miles north of Bruce Mines. Work on surface is stated to show a long iron-bearing vein from one to eight feet wide. The occurrence is being explored by diamond drill. Toronto and Brantford men are behind the venture.



NO MOOSE PASTURE THIS

Perhaps the richest golf course in the world—if it owned what's underneath—this course at Timmins has a smart clubhouse and blasting below sometimes has odd effects on putting. The mill is Moneta Porcupine.

Magnet Joins Producers' Ranks

New 100-Ton Mill Now Operating in Little Long Lac Gold District

By RONALD A. McEACHERN
Mining Editor, The Financial Post

There is a lot more to the start of milling at Magnet Consolidated Gold Mines than merely the addition of one more mine to the long list of gold producers that are making Canada one of the world's greatest mining countries.

For the Magnet property has much in common with a thousand others scattered through Canadian mining camps—and like thousands of others yet to undergo that metamorphosis which changes moose pasture into a mine with its name on the door in a city skyscraper.

Little Long Lac Gold Mines, immediately adjoining on the east, got into operation toward the end of 1934. Bankfield Consolidated, on the west boundary, got into operation early in 1937.

On the map, Magnet looked as though it should have something. But that was all. There was 60 feet of overburden and only a few feet of rock showing—and telling nothing at all—in the far corners of the property. Raising money on drowsy stock markets was a hen tooth-pulling proposition. A few diamond drill holes were put down and gave little cause for enthusiasm.

In the irreverent words of "the street," Magnet was a "dog." Excitement over the Little Long Lac camp had subsided. Prospecting, development and speculative interest moved elsewhere. It seemed as if another story had been told; more stock certificates could decorate summer-house walls.

Attractive Equity Now

But the men behind, knew that the ground hadn't been given a fair chance. Taking their time, saving money they sat tight until ample funds were available.

Today Canada has a nice new 100-ton producer; shareholders who rode along have an attractive equity.

In the midsummer of 1931 two of Canada's most romantic prospecting figures, Tom Wells and Tom Johnson were paddling their canoe through Magnet Lake. Johnson took a closer look at a small reef rising above the level of the lake. He was interested—definitely. The staking he then started became the Bankfield property. Wells staked next to him, ground that became the Wells Longlac. The next year Johnson hooked up with Tony Oklend who had been living in a little cabin on Magnet Creek selling a few furs and $700 worth of gold he had chiselled out of a boulder he found near the narrows on Little Long Lac.

Magnet Consolidated is a 46 claim union of two of those early enterprises. Wells Longlac and Magnet Lake Gold Mines. Neither property got exciting drill results; neither had enough money to sink a shaft; neither were able to retain the enthusiasm of optionees.

"How about taking a look at it," A. W. Burt, hefty Toronto lawyer, who has done some prospecting himself, said to Fred Searls, Jr., the immensely successful geologist head of Northern Empire mines and director of the famous Newmont Mining Corp. of New York.

From the first, Searls got mighty interesting results. He had arrived at the right time. With ample funds available, nothing stood in the way of giving the property every chance to show all that it had.

Northern Empire Control

Now after eight years of waiting, discouragement and company poverty, Magnet and its shareholders seem to be sitting pretty.

Northern Empire Mines, subsidiary of Empire Star Mines of California which is a subsidiary of Newmont Mining Corp. of New York, took a controlling stock interest, around 1,647,495 shares, and offered to advance money up to $100,000 for building a mill.

Magnet Lake shareholders took one Magnet Consolidated share for every five Magnet Lake held. The remaining 50,000 Magnet Lake shares plus $50,000 in the company treasury were turned over to a new company Numalake Mines Ltd. in which Magnet Lake shareholders got one share for each five Magnet Lake held.

Wells Longlac shareholders got one share of Magnet Consolidated for each five shares held, plus 2½ cents per share.

Since production has just got under way at Magnet Consolidated it is too early yet to know just what the mine can do. Last summer, the mine shipped 3,000 tons of ore to the nearby Tombill mill, the return being $23 per ton. Persons close to the company say the mine-wise are going to get a surprise at the big Magnet millheads once the operation gets into its stride. There is considerable high grade and values given in reports so far have been religiously kept to the cut or reduced grade.

Around 60,000 tons of $22 ore down to the 780-foot level is the company estimate of reserves. Assume 100 tons milled daily, 300 days a year. Estimate of total costs including development work, etc. is around $10 per ton. That leaves $12 net per ton, $360,000, or earnings of around 10 cents per share on the 3,000,000 shares issued.

Prospects for development work seem attractive. Following one vein down most of the way, Magnet now has two veins on the bottom or 630-foot level. There was great difficulty in following the first vein and several times it was lost. The chances, therefore, seem good for picking up the second vein on the upper levels which would add very materially to ore reserves.

The property is extensive. Well out to the east and again northwest of the shaft very interesting drill holes have been pulled. Nothing else has yet been done in either area. A lot can happen yet on both adjoining properties Little Long Lac and Bankfield.

Another thing that commends Magnet in mining circles is the management. A. W. Burt is president, T. M. Mungovan vice-president. Fred Searls, Jr. and H. E. Dodge, both of Newmont Mining Corp., are directors. Arthur Kendall, manager for Northern Empire is in charge. Northern Empire, and its grandparent, Newmont, have a magnificent record for efficient, economical operation and skilful geologizing.

What the results of milling are going to be it is too early to say. Millheads in early work have been running higher than the estimated mine average grade. Capacity of the mill is higher than the 100-ton schedule. Next month Magnet production will be suspended while the mill does some 30,000 tons for Jellicoe. For part of the first year Magnet earnings will be going to pay off the $100,000 mill-building loan of Northern Empire. The Little Long Lac camp is not, at the moment "fashionable," like Porcupine, for instance and geologists have seen how ore in this area can flicker out with folding.

Those are the mixture of things stock market will have in mind in evaluating Magnet stock. now around 55 cents and not listed on an exchange.

Earns Its Way

The same general group of individuals seem to like the area for they are building up quite a stake in it.

The Tombill, adjoining Bankfield on the west, was staked in the early days by Tom Johnson and he and associates still hold stock control. Newmont Mining Corp. operates the property and a 100-ton mill got into operation Feb., 1938. The same general group are on the board with Percy Hopkins president, Fred Searls, Jr. and Carroll Searls, vice-presidents, A. W. Burt, secretary, and H. E. Dodge, Newmont, treasurer.

By the end of this year Tombill will have produced enough to pay back all the expenditures made on it, including the mill. Last year production was $387,554 from $14.63 ore. This year ore has been running higher, for the first quarter, $16.52 per ton. Last fall a cyanide unit was installed. While it does not appear that there is a very large ore body, chances are held good for discovery of new ore bodies and profits now seem assured.

Elmos Encouraging

Another property being developed by the same group is Elmos Gold Mines with two properties, one between MacLeod Cockshutt and Mosher Long Lac, the other south of Little Long Lac and west of Mosher. The former group of five claims has been drilled, but without result so far.

Work is now being done on the main group of 51 claims. A shaft has been sunk to around 515 ft. and drifting on the bottom level has opened up interesting new ore over good lengths and widths. On the 315 or first level several ore shoots were intersected giving an aggregate length of 384 ft. averaging $17.50 cut grade ore over 21 inches.

Getting ore on the lower level was most important in deciding whether or not this was going to be a mine. Newmont is apparently satisfied with results for it has recently put up another $72,000 for development work, although asking for and getting the remaining 400,000 shares of option stock for 30 instead of 50 cents.

Northern Empire Mine, the other main interest of the group, in this part of Canada, is further east, over near Beardmore.

The big need of Canadian mining, say many leaders in the industry, is the establishment of "mining houses" on the British pattern; groups of individuals with great funds, splitting bets, giving the public a shared risk and with top-notch geological and engineering staffs.

In the Magnet, Northern Empire, Newmont operating in Canada we have something approaching pretty close to that pattern for new mining enterprise which an increasing number of Canadians feel to be desirable for the continued and wise growth of the industry.

Prest. E. Dome Shows Profits

Earns 2.2 Cents a Share During First Months of Operation

In spite of restricted production due to absorption in the mill circuit, Preston East Dome Mines showed a net profit of $65,798, equal to 2.2 cents a share, in its initial two months (ended April 30, 1939) of milling operations.

Production of $179,978 during the period was obtained from treatment of 20,119 tons of ore for an average recovery of $8.95 per ton. Ore reserves as at April 30, 1939, amounted to 476,400 tons averaging $9.17 a ton, showing little change from the estimate made at the end of 1937. D. G. H. Wright, managing director, points out that no ore has been included for the hanging wall structure and that little lateral exploration was carried out between the two dates. The hanging wall could easily exceed the footwall in ounces of gold produced, he states.

Ore in Hanging Wall

The feature of 1938 was, it is noted, the opening up of 267 ft. in the 503 hanging wall drift averaging $140.35 over 5 ft. There are several parallel quartz zones on this horizon which are indicated on the 425-ft. level and are also being successfully explored at the 675-ft. horizon. One vein on the 675-ft. level has been drifted on for 350 ft. in continuous ore showing considerable free gold although not so spectacular as the 503 drift.

Discovery of high-grade ore in the hanging wall section of one zone is stated to open up a whole series of possibilities for exploration, adding very considerably to the ore outlook for the property.

Start Retiring Bonds

As at April 30, 1939, current assets amounted to $233,747 not including $41,045 of supplies and materials on hand. As current liabilities were $48,746, working capital amounted to $185,001. Of the authorized bond issue of $700,000, the company has already purchased $58,500 for future sinking fund requirements.

Profit and Loss Account
March 1 to April 30, 1939

	$
Bullion production	179,978
Less: Bullion marketing	2,041
	177,937
Less: Operat. costs	73,213
Net operat. revenue	104,724
Add: Other income	1,217
Total net revenue	105,941
Less: Bond interest	6,777
Def. develop. w/o	9,252
Depreciation	15,000
Mining taxes	3,000
Organ. exps. w/o	6,114
Net profit & surplus	65,798
Earned per Share	$0.022
None paid.	

Concentrates—Canada's Mines This Week

Bankfield Gold Mines recorded a slight increase of production during June although the tonnage of ore milled showed a decrease. Results are as follows:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ..	3,850	128	13.39	51,538
May, 1939 ...	4,025	130	12.72	51,208

* * *

Cariboo-Hudson Gold Mines is still operating at 25 tons daily and providing the payroll for all work being done, both mining and exploration, according to a communication forwarded to shareholders by W. B. Burnett, president. Directors have decided on a programme of exploratory diamond drilling to search for ore bodies.

Total of 8,000 to 10,000 ft. of drilling is scheduled to be completed by early October. To finance this work, shareholders are being offered additional shares at 25 cents. Altogether 100,000 shares are being offered and if the issue is not fully subscribed, subscriptions will be returned. Shareholders subscribing by Aug. 31 will be entitled to subscribe for an equal number of shares at the same price to Oct. 31, 1939.

* * *

Buena Vista Mining Co. showed large increases in both tonnage of ore milled and total recovery in June as reported officially below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ...	20,813	694	2.52	52,405
May, 1939 ...	5,139	166	2.67	13,726

* * *

Central Cadillac Mines has established its first level off the winze at a depth of 325 ft., President Gerald McTeigue informs the Montreal Curb Market. Slashing is now being done preparatory to drifting at this level. Sinking of the winze to open a 4th level at 425 ft. depth is to be started shortly and it is expected the objective will be reached about the middle of August. A contract has been completed with Inspiration Mining & Development Co., for putting down several additional diamond drill holes from the 2nd level.

* * *

Chesterville Larder Lake Gold Mining Co. treated 3,493 tons of ore in the week ended July 20 with an average grade of $5.92 per ton. This was an average of 499 tons of ore daily. The previous week, 2,944 tons were treated averaging $5.84 a ton. The mill is now operating steadily and on July 20, a total of 525.6 tons was treated. Mill ore in the July 20 week came from development and stope preparation and from surface dumps. Car samples from 590 tons recovered in taking down backs on the east end of "D" stope averaged $8.72 per ton.

* * *

Cournor Mining Co. has cut a vein two feet wide averaging $15.40 a ton in diamond drilling from surface west of the old Beaufor workings. Drilling is being continued in this area which is immediately south of the Perron boundary. Road conditions have improved greatly and starting July almost all ore being treated in the mill was from the Beaufor workings. June production was somewhat higher than that for May as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ..	5,542	185	6.39	35,403
May, 1939 ...	5,191	167	6.28	32,616

* * *

Dona Patricia is carrying on a programme of surface exploration at its property in the Pickle Crow area and the main vein has been opened up for a length of 350 ft. showing a width of 4 to 5 ft. with free gold stated to have been found in the quartz. Close to the main vein is stated to be another formation also carrying values, which has a length of 175 ft. so far.

* * *

Eva Lake Gold Mines officials announce diamond drilling will start shortly on the company's property in the Beardmore section. It is planned to drill several shallow holes to prove up the continuity of veins on the ground. In previous drilling some good values were disclosed.

* * *

Fondewa Gold Mines has been organized to take over a group of 21 claims in the Matachewan area, Ont., and plans are now being formulated for a programme of work. In previous exploration eight gold-bearing veins were explored at surface and tested by diamond drilling. The management is at present considering deeper diamond drilling as proposed by company's geologist. Following drilling the management expects to sink a shaft to develop the veins.

* * *

Fontana Gold Mines' has commenced diamond drilling at its property in Duverny twp., Quebec. The Bunkhouse vein, on which present work is being concentrated, has been opened up an additional 25 ft. at surface, the company states, with a width greater than that previously encountered. Fine visible gold can be seen, it is said.

* * *

Geneva Gold Mines has a crew of men prospecting its property adjoining Packsack Gold, which is one of its half-dozen groups in the Rice Lake area. To date, three new veins have been uncovered. On another property just south of San Antonio some diamond drilling was done through the ice of Rice Lake and while some values were obtained they were not considered particularly attractive. This drilling was done by Central Manitoba Mines.

* * *

Gold Belt Mining Co. had a small decline in output in June compared with the previous month as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ...	4,723	157	9.16	43,273
May, 1939 ...	4,737	153	9.89	46,832

* * *

God's Lake Gold Mines showed an increase in operating profit in the 2nd quarter of 1939 due to an increase in production which more than offset an increase in operating costs. Results are tabulated below. During the 2nd quarter a new ore shoot was opened up west of the Powder House Bay fault. This ore shoot is stated to be 231 ft. in length at the 6th level averaging .2 oz. gold per ton across an average width of 3.9 ft.

Operating Statement

	3 mos. ended Mar. 31 1939 $	3 mos. ended June 30 1939 $	6 mos. ended June 30 1939 $
Production	218,316	240,684	459,000
Less: Oper. exps.	116,086	121,560	237,646
Oper. profit	102,230	119,124	221,354
Summary of production:			
Tons milled	18,511	18,152	36,663
Av. recov. per ton	$11.79	$13.26	$12.52
Aver. head assay	0.359	0.398	0.379
Av. daily tonnage	205.7	199.4	202.5

* * *

Gomak Mines, in the Three Duck Lake area north of Sudbury, plans a diamond drilling campaign on its property, to commence shortly, according to official report. Russell D. Jones, manager, has recommended 5,000 ft. in exploration of No. 1 vein at depth and to test veins Nos. 2 and 3. In previous work No. 1 vein was developed for 800 ft., along 200 ft. of which high values were obtained up to widths of 35 inches. There is a 35-ton mill on the property which gave a small production of bullion when operated over two years ago. An offering of shares is being made to shareholders of Porcupine Crown Mines, the parent company.

* * *

Guysborough Mines had an operating profit of $9,593 in the three months ended June 30, 1939, before taxes and write-offs against $10,535 in the same period of last year. Comparative results follow:

Operating Statement
Three Months Ended June 30

	1939 $	1938 $
Net production	56,708	58,825
Less: Develop. & oper. costs	47,399	48,469
Est. oper. profit	9,309	10,356
Add: Non-oper. inc. ..	284	179
Est. total profit*	9,593	10,535
Tons milled	10,509	7,987

*Before taxes, depreciation or deferred development.

* * *

Howe Sound Co. increased sales of all its metals in the 2nd quarter of 1939, the company's quarterly statement discloses. Earnings in the 2nd quarter were also higher amounting to $1.37 a share compared with $1.08 the previous three months. A collective agreement with the C.I.O. at the Chelan property in the United States has not yet been reached and a strike declared on July 7 remains unsettled.

Income Account
Three Months Ended

	June 30 1939 $	Mar. 31 1939 $
Gross earnings	4,258,442	3,911,530
Less: Operat. exps. ..	3,396,509	3,187,700
Operat. profit	861,933	723,830
Add: Other income ..	7,506	9,421
Total income	869,439	733,251
Less: Depreciation ...	221,438	219,874
Net profit	648,001	513,377
Earnings per Share ..	$1.37	$1.08
Metal Sales:		
Gold, oz.	21,565	16,911
Silver, oz.	1,021,924	1,005,348
Copper, lb.	15,377,436	14,111,044
Lead, lb.	26,926,666	26,640,556
Zinc. lb.	24,055,210	22,072,876

* * *

Howey Gold Mines reports decreases in both production and operating profit for the three months ended June 30. Output of $250,837 was obtained from 136,276 tons of ore hoisted, an average recovery of $1.84 per ton. This compared with $312,539 from 132,437 tons the previous quarter, an average of $2.36. Operating profit, before taxes and write-offs, amounted to $79,726 compared with $129,539 the first quarter.

* * *

Lake Shore Mines production for the three months ended June 30, 1939, showed an increase over the first three months of the year as shown below

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
2nd qr., 1939	227,183	2,524	15.83	3,596,361
1st qr., 1939	219,342	2,437	15.61	3,424,673

* * *

Leitch Gold Mines set a new record for production in the 2nd quarter of 1939. Comparative results are as follows:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
2nd qr., 1939.	7,890	87	23.89	188,687
1st qr., 1939..	7,865	87	23.30	183,222

* * *

Matachewan Consolidated Mines had an estimated profit of $55,275 before taxes and write-offs in the three months ended June 30, 1939, compared with $49,113 the preceding three months and $40,642 in the same three months of last year. Details of results follow:

Estimated Earnings
Three Months Ended June 30

	1939 $	1938 $
Net inc. from prod. ..	213,590	200,138
Less: Devel. & oper. exps.	159,225	159,938
Est. oper. profit	54,365	40,199
Add: Non-oper. inc. .	910	443
Est. total profit*	55,275	40,642
No. of tons milled	39,129	39,501

*Before taxes, depreciation and deferred development.

* * *

McIntyre Porcupine Mines has completed an agreement with Beaucourt Gold Mines under which $25,000 is to be spent on an examination of the Beaucourt property in Louvicourt twp., Que. If results by the end of the year are satisfactory, Beaucourt shares are to be taken up under an option agreement involving $525,000 if fully exercised. Should further funds be required to bring the property into production, McIntyre will furnish loans up to $500,000 with interest at 6%. Authorized capital of Beaucourt was increased from 3 to 4 million shares recently.

* * *

McKenzie Red Lake Gold Mines produced $497,095 in the first six months of 1939 and it is estimated operating costs for the period did not exceed $235,000, not including taxes and depreciation. Second quarter production of $209,820 from 17,321 tons of ore milled was lower than the first quarter due to absorption of gold in new liners for the ball mill. There has been no indication of any change in grade of ore milled, it is stated. Sinking of the winze to 1,250 ft. has been completed with levels established at 1,150 and 1,250 ft. depth. A new vein indicated by diamond drilling at the 550-ft. level will be developed during the present quarter. At the 1,050-ft. level, the first of two structures indicated by diamond drilling has been encountered with values up to $17.50 per ton encountered across 5 ft. in the north wall and $8.75 across 5 ft. in the south wall.

* * *

MacLeod-Cockshutt Gold Mines produced $401,317 from 52,094 tons of ore milled in the three months ended June 30, 1939, an average recovery of $7.70 a ton. Production by months was: April, $124,812 from 17,352 tons; May, $144,093 from 17,693 tons; and June, $132,412 from 17,049 tons. In the previous three months output was $327,901 from 48,380 tons.

* * *

McWatters Gold Mines reports a profit of $37,585 for the three months ended June 30, 1939, before taxes and write-offs, compared with $27,862 the immediately preceding three months and $46,794 for the same period last year. Details for the latest quarter follow:

Quarterly Earnings
Three Months Ended June 30

	1939 $	1938 $
Production:		
Mine ore	102,635	98,829
Tailings retreated ..	2,992	4,099
	105,627	102,928
Less: Oper. expenses .	68,042	56,134
Oper. profit*	37,585	46,794
Tons of ore milled	8,004	8,714
Aver. recovery per ton	$12.82	$11.34

*Before taxes, depreciation and deferred development.

* * *

Newroy Gold Mines, in its current diamond drilling campaign in the Opeepeesway Lake area, reports that due to extremely heavy overburden in the swamp area adjacent to Jerome Gold Mines, drill equipment has been moved 1,500 ft. away to higher ground, where bedrock was reached at shallow depth. Officials state some values have been located in recent work which encountered favorable structure, and diamond drilling will proceed to cross section the occurrence.

* * *

Oro Grande has been holding the spotlight in the Beresford Lake area this summer. Rich surface showings 600 ft. north of the present workings were found quite recently and though the discovery is in swamp ground sufficient work was done to demonstrate the new discovery is commparable with the original findings made away back in 1918.

To date a length of about 90 ft. has been uncovered running about 5 ft. in width and with spectacular assays running into ounces of gold per ton. Underground workings have already reached within 200 ft. of this showing and diamond drilling is now being carried on to test this new area. In the meantime the mill continues to operate although production is taking second place to development work.

* * *

Pickle Crow Gold Mines had somewhat lower production in the second quarter of 1939. Comparative figures follow:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
2nd qr., 1939	30,744	338	21.97	675,369
1st qr., 1939	31,087	345	22.26	691,936

* * *

Privateer Mine has declared a dividend of 5 cents a share plus an extra of 2 cents, both payable Aug. 10, 1939, to shareholders of record July 31; ex-dividend July 28.

* * *

Ronda Gold Mines, West Shiningtree area, reports having solved its vein problem. Flat diamond drill holes were put out at intervals of 50 ft. along the 550-ft. level drift in the belief it was west of the Ribble vein. A crosscut was then run for 40 ft. east of the 5th level drift and cut a vein approximately 16 ft. wide, showing visible gold in the face. Drills intersected the vein at five different places for 240 ft. from the crosscut, showing about the same width. Drilling will ascertain the full length. Milling is continuing, and official report operations have been conducted since April at a profit. Mint returns have been $85,000 since the plant started early this year.

* * *

Sand River Gold Mining Co. is now getting shaft sinking under way for the opening of a ninth level at 1,150 ft. depth. Production in June was lower with a shorter month as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939 ..	3,152	105	10.76	33,915
May, 1939 ..	3,325	107	10.85	36,050

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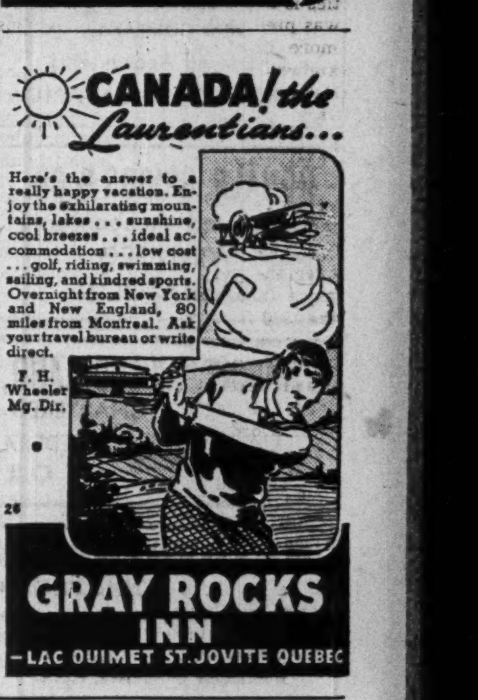

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Banking

Canadian Dollar Free On Exchange Markets

No Action Taken to Maintain Its Relation to U. S. or Any Other Currency — Artificial Depreciation Not Necessarily Beneficial, Hearings Indicate

Scrutiny of the proposal that the Canadian dollar's exchange value should be allowed to depreciate in line with sterling, is embodied in the following article, the ninth of a series analyzing proceedings of the House of Commons Committee on Banking and Commerce.

By D. G. MacLEAN
Staff Writer, The Financial Post

In the discussions before the standing committee of the House of Commons on Banking and Commerce, especially firm reply was given by Graham F. Towers, Bank of Canada governor, to arguments of W. A. Tucker (S. C., Rosthern) and J. C. Landeryou (S. C., Calgary East), who reiterated the opinion that Canada had reprehensibly failed to control commodity prices. By preventing her currency depreciating on the exchange markets, as had those of Australia, New Zealand and Great Britain, Canada had lost a great opportunity, they argued, of raising and stabilizing the prices of commodities.

"Australia," said Mr. Tucker, "has kept her money comparable with that of Great Britain. We have the same difficulties in regard to debts; we have the same primary difficulties, and the same with freight-rate structures, and so on. We have also the same difficulties with primary producers accommodating themselves to the fixed charges hanging over them. . . . .

"My contention is . . . that our monetary action has been much more conservative than even the monetary action of England and that it is putting a tremendous burden upon our primary producers. What I am interested in knowing is how you can justify your comparative inaction along that line as compared with the action of England, Australia, and so on."

Big Losses Claimed

Mr. Landeryou, expressing agreement with Mr. Tucker, asked if it were true, as claimed before the Rowell Commission by Manitoba and Alberta, that through keeping "the monetary policy of Canada on a par with the United States, whether deliberately or not," the farmers of western Canada in the last three years had lost in the neighborhood of $100 millions a year.

H. H. Stevens (Conservative, East Kootenay), while evidently not altogether in agreement with Mr. Landeryou, was also curious regarding the wisdom of Canada, on the departure of Great Britain from the gold standard in 1931, in seeking to maintain the Canadian dollar close to the United States currency rather than allowing it to follow the pound down.

"Would it not be the wise course for Canada to attempt in its stabilization policy to keep the Canadian dollar closer to sterling, rather than maintaining it at the American dollar level?" he asked.

Mr. Stevens said that in asking this question he had in mind that the sterling area is the largest for our primary products in our export trade.

Mr. Towers in reply stated emphatically that to the best of his knowledge and belief Canada never took any action whatever in the exchange market to produce any given level for the Canadian dollar.

"The Canadian dollar," he said, "has found its own level in the market. No one that I know of privately, publicly or anyone else has tried to peg it at a certain level, or to arrive at a certain level. Therefore the question could be, of course: Rather than have allowed the Canadian dollar to find its own level in the market at that time, 1931 to 1932, would it have been better to have taken deliberate steps to bring it to the level of sterling?"

Despite pressure by B. M. Hill (Liberal, Charlotte) to get him to admit that there had been some action taken, Mr. Towers stuck to his guns that the Canadian dollar had found its own level.

Mr. Hill argued that Canada's primary industries had lost millions of dollars by the Government not lowering its dollar at the time that the British pound fell as did Australia, New Zealand, South Africa, Norway, Sweden and Denmark.

Mr. Howard's View

C. B. Howard (Liberal, Sherbrooke) also was of the opinion that Canada had lost considerably by not depreciating her currency along with New Zealand. He maintained that had Canada allowed her currency to go below the British pound she would have increased her export trade and possibly gradually have increased the prices of agricultural products. He saw, however, a difficulty in that other countries would gradually do the same thing, so that the benefit would be wiped out.

The main trouble in Canada he saw was the disparity between three factors: Interest and taxes, which he claimed after the crash of 1929 remained steady or increased; labor, the price of which fell from 40 cents an hour to 15 cents; and farm products which dropped sharply in price. If a fair relation between these had been kept, the country would have been fairly prosperous, he maintained.

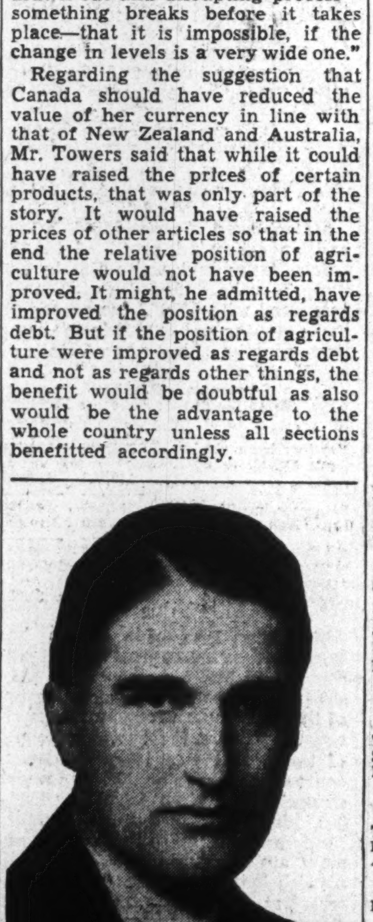
Effect on Exports

In reply Mr. Towers stated that as far as increasing exports by currency depreciation was concerned, other people might have the same idea, the end of which would be that the importing countries would get tremendous bargains at prices ruinous to the producers. Great Britain had the advantage during the depression, when her own currency was low, of being able to get her raw materials and foodstuffs on the bargain counter.

The whole question of currency depreciation he stated was a matter of government policy, of weighing the benefits and disadvantages in the various sections of the community. This was something which, Mr. Towers said, the Government would have to decide and not he as the governor of the Bank of Canada, although he might be called in to advise.

Concerning changes in the whole business situation after 1929 Mr. Towers maintained that as regards adjustments of interest rates and prices of primary products, there are so many long term contracts, so many supposed short term contracts in the form of wage-rates which in fact, he stated, cannot be changed quickly, that "adjustment of the whole thing is such a long-drawn-out and disrupting process—something breaks before it takes place—that it is impossible, if the change in levels is a very wide one."

Regarding the suggestion that Canada should have reduced the value of her currency in line with that of New Zealand and Australia, Mr. Towers said that while it could have raised the prices of certain products, that was only part of the story. It would have raised the prices of other articles so that in the end the relative position of agriculture would not have been improved. It might, he admitted, have improved the position as regards debt. But if the position of agriculture were improved as regards debt and not as regards other things, the benefit would be doubtful as also would be the advantage to the whole country unless all sections benefitted accordingly.



NEW BANK DIRECTOR

P. A. Chester, Winnipeg, general manager for Canada of the Hudson's Bay Co., who represents the West on the board of directors of the Central Mortgage Bank, currently in process of organization.

Bank Chat

Three new bank branches opened and three branches closed are reported in the Bank Directory of Canada and Newfoundland for July. These changes all occurred between May 31 and June 28. The branches opened were Bank of Montreal at Lake Louise, Alta.; Dominion Bank at Porcupine, Ont.; Imperial Bank at Temagami, Ont. The branches closed were Royal Bank at Caibarien, Cuba; Dominion at Larder Lake, Ont.; and Royal at Thornton, Ont. The total number of branches of the Canadian chartered banks in Canada on June 30 was reported at 3,328. Branches in Newfoundland numbered 26 and branches elsewhere 117 making a total of 3,471.

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While the New Zealand banks had a difficult year during their last financial period, which ended March 31, the Bank of New Zealand and the National Bank both showed slightly larger profits than in the previous year. The former again paid an ordinary dividend of 10%. The National Bank paid 5% less tax, against an interim dividend of 2% free of tax plus a final dividend of 2½% less tax for 1937-38.

A feature of the statements of both institutions was a reduction in deposits, a movement which is attributed to the tendency for capital to leave New Zealand last year.

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A number of European banks are establishing branches in United States. A short time ago the Credit Suisse established a subsidiary corporation there known as the Swiss American Corp. Other European banks, are establishing agencies rather than organizing American subsidiaries. Two additional Swiss banks, namely, the Swiss Banking Corp., Basle and the Union de Banques Suisse, of Zurich, are establishing agencies as well. Societe Generale of Paris and Handel-Maatschappij H. Albert de Bary and Co. N. V., of Amsterdam, are also opening up in New York. The main function of the new offices, it is understood, will be to handle funds and securities held in New York by clients of the various banks. The ordinary commercial banking and security operations will be but a minor part of their work.

The policy of opening these agencies on this side of the Atlantic is a direct outgrowth of the unsettled European political situation, it is understood. It is regarded as a precaution against sudden invasion of European countries and the object, it is understood, is to prevent foreign assets from falling into the hands of other governments.

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The annual tournament of the Bankers Bay-to-Bay Golf Association which took place recently at Noranda was attended by 22 bank managers. The term "Bay-to-Bay" means from North Bay to James Bay. The bankers in attendance represented all banking institutions in northern Ontario and Quebec.

These meetings were inaugurated in 1931 with tournaments being held in Haileybury, Timmins, Iroquois Falls and Noranda. In 1940 the tournament will take place at Kirkland Lake.

At the banquet following the tournament G. A. Goddard, Kirkland Lake, was elected president. G. Hendry, Royal Bank, Noranda, vice-president and F. A. Burt, Dominion Bank, Timmins, secretary which post he has held since 1931.

The Atkinson cup was carried off by M. Poulette, Canadian Bank of Commerce, Sisco, with a low score of 43 for nine holes. The cup must be defended by him next year in Kirkland Lake. The consolation prize went to H. C. Scarth, Imperial Bank, Timmins with a score of 58 for nine holes.

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Banks sometimes have their uses. Even John Garland of Winnipeg may think so now. A short time ago Mr. Garland hid $5,500 in a woodpile in the basement of his home. Prior to that he had kept it in his garage. "I have very little use for banks. They pay you such little interest and there are stamps to put on the cheques," he is said to have told reporters. The other day when he went to the woodpile to get some money it was all gone.

Bank of Canada Weekly Statement

Investments of the Bank of Canada in Dominion Government bonds during the week ended July 19 were approximately $2 millions higher, according to the regular weekly statement. The increase was mainly in short term issues. Reserves of United States and sterling exchange were up $3.4 millions. On the liability side these changes were offset by an increase of $2.3 millions in deposits by the chartered banks and $2.3 millions in deposits by the Dominion Government. The net result was an increase of over $5 millions in total assets of the central bank.

Balance Sheet

	July 19 1939	July 12 1939
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	169,185,906	168,922,041
Rest fund	1,903,515	1,903,515
Depos.: Dominion ..	24,788,355	22,451,931
Banks	202,458,758	201,132,627
Other	5,625,967	5,054,719
Total deposits	232,873,080	228,639,277
All other liabs.	2,808,198	2,019,663
Total liabs.	411,770,699	406,484,496
Assets		
Reserve: Gold	205,415,237	205,575,925
Res. in sterling and U. S.	37,579,370	34,190,019
Other curr.	755	755
Total reserve	242,995,362	239,766,699
Subsidiary coin	408,817	392,336
Investments:		
Dom. govt. short..	112,618,564	110,784,720
Other Dom. govt..	51,326,588	51,093,613
Total invest.	163,945,152	161,878,333
Premises	1,659,043	1,658,826
All other assets	2,762,325	2,788,302
	411,770,699	406,484,496
Reserve ratio	60.43%	60.30%

Leggat, Cassils & Co. Admits New Partner

From Our Own Correspondent

MONTREAL.—Leggat, Cassils & Co. has notified the Montreal Stock Exchange and the Montreal Curb Market that William H. Leggatt has been admitted as a partner of the firm. The business will be continued under the name of Leggat, Cassils & Co. Partners of the firm are William Leggat, D. Stuart Watson and William H. Leggat.

Insurance

Car Insurers Adopt Supplementary Form

Approval Given to Questions Which May Be Added to Automobile Insurance Application Form, Asking For Fuller Information

With the object of retaining uniformity in insurance forms, a supplementary application form has been approved. It is for the use of those companies which desire fuller information from an applicant for insurance than that provided for in the standard form adopted in 1932.

This supplementary form has been approved by the standing committee of underwriters on automobile insurance forms, and has been approved by Hartley D. McNairn, Superintendent of Insurance for Ontario, on behalf of the Association of Superintendents.

While it will be signed by the applicant, when required by the company, and gives considerable additional data regarding the applicant's driving and insurance history, the form is not part of the contract. Its use has been recommended in all provinces except Quebec, which has not yet adopted the Uniform Automobile Insurance Act.

Diversity of Practice

In a letter to all automobile insurers in Canada except Quebec, Mr. McNairn points out that following the adoption of the standard form in 1932, there was considerable diversity of opinion regarding the way in which this fuller information was to be obtained.

Some insurers requested that it be obtained by the agent and the statement signed by him. Others again asked that it be supplied on the application form by the applicant without any signature. Subsequently, some insurers wanted the information to be given over the signature of the applicant.

Certain of these forms, however, were found by the insurance supervising officials to be unfair. Accordingly the whole matter of supplementary information was taken up by the standing committee and approval of a standard form as stated is the result.

It is plainly stated, however, on the supplementary form now approved that the answers to the questions do not form part of the application and cannot be used in the settlement of claims. They do, however, give information to the company which would enable it to decide whether it wanted to grant the insurance requested or not.

Approved Questions

The questions in the supplementary form may be summarized as follows:

(a) Is "passenger hazard included endorsement" required? (Applicable to private passenger cars only.)

(b) For how many years has the applicant operated an automobile? ...... owned an automobile?

(c) Has the applicant or any member of his family or household been convicted of reckless driving or other offenses in the operation of an automobile, to the knowledge of the applicant? If yes, give particulars.

(d) Will the automobile be operated by anyone with any physical disabilities? If so, give particulars.

(e) State names, ages, driving experience and automobile accident claim record of all persons who will operate the automobile.

21 Underwriters Get C.L.U. Degree

Graduates in Institute Course Drawn From All Over Canada

Twenty-one life insurance underwriters, having completed the three-year course of study laid down by the Institute of Chartered Life Underwriters of Canada, are now entitled to use the title Chartered Life Underwriter of Canada, and to write C.L.U. after their name. The examinations were held in May and the results announced recently by the Life Underwriters Association of Canada. Forty-four others have passed all examinations including those of the third year but have not yet qualified in other respects for the degree of C.L.U.

The course of study covered is a wide one including the fundamentals and practice of life insurance, life underwriting, salesmanship, life insurance law, psychology, business finance and business English. Students in the course are drawn from all parts of Canada.

British Oak Co. Moved to Toronto

Transfer of Head Office Follows Acquisition by Union of Canton

Consequent on the recent acquisition of the British Oak Insurance Co. by the Union Insurance Society of Canton, the head office of the former has been established in Toronto, with Colin E. Sword as manager for Canada. He will continue to act in a similar capacity for the Union of Canton, British Traders and South British insurance companies.

The British Oak will have the benefit of close association with the branches of the Union of Canton, at Montreal, where J. W. Binnie is in charge as associate manager and at Winnipeg and Vancouver where Charles MacLeod and W. R. Brydon are branch managers.

Willis Faber & Co. of Ontario, Ltd., Toronto, will act as general agents for Ontario, and J. R. Lachance, Montreal, as general agent for Quebec. Mr. Lachance, until recently, was Canadian manager of the Rhode Island Insurance Co.

The British Oak was organized in 1908. Its head office is in London, England. It is licensed in Canada to write fire, automobile and inland transportation insurance.

Insurance Notes

Recent advices indicate that the Alberta Government will enter the fire insurance field about Sept. 1. Following the proclamation of Alberta Insurance Act as effective July 1, rating and other matters are being studied. The Act authorizes advances from the province's general revenue fund to finance the insurance business. It also provides for gathering information on insurance risks from government departments and municipal officials. Credit house facilities throughout the province will be utilized for branch office or agency purposes. R. R. Moore, deputy fire commissioner and deputy superintendent of insurance for Alberta, has been appointed acting manager.

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The Rhode Island Insurance Co. is retiring from Canada and has reinsured its liabilities with the Royal Insurance Co. The Rhode Island has been operating in the Dominion since 1927. J. R. Lachance, of Montreal, was Canadian manager.

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P. D. Campbell has been promoted to Branch Manager of the Southern Ontario Agency of the North American Life Assurance Co. with headquarters at 401 Terminal Building, Hamilton, Ont. Mr. Campbell was formerly district manager of the St. Catharines office of the company.

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Two new policy plans have been introduced by the Great West Life Assurance Co.

One of these, the "special income" policy, combines immediate insurance protection with a specified income of $5 per $1,000 initial insurance. The income is payable for life but is guaranteed for 120 months in any event. The plan is available on both male and female lives to mature at 55, 60 or 65 years of age and is issued only on a participating basis.

Rates for this plan are quoted from age 10 to age 45 if maturing at age 55, up to 50 if maturing at 60 and up to 55 if maturing at age 65. The minimum amount for which the "special income" plan is issued is $2,000.

The premium rates at the ages under 35 differ little from the standard ordinary life and 20-payment life rates, it is stated.

The other new plan is a juvenile pension at age 50 issued on ages up to nine years. It is available with or without waiver of premium for death or disability on the life of the payer. This policy has a maturity cash value per unit at age 50 of $2,046 for males and $2,240 for females, providing a monthly life income of $10, guaranteed 120 months. This policy is available in Canada up to age 10 with the graded death benefit—and with full insurance thereafter.

Weekly Bank Clearings

	July 20 1939	Change year ago	July 13 1939
	$	%	$
Halifax	2,630,403	—4.6	2,500,177
Saint John .	1,906,748	—4.8	1,800,492
Moncton	787,592	—9.6	930,087
Sherbrooke ..	733,230	+4.7	727,992
Quebec	4,528,247	—16.6	4,620,475
Montreal	103,049,348	—1.0	95,425,857
Ottawa	13,284,892	—4.0	17,234,145
Kingston	586,356	—3.1	573,241
Peterborough	621,404	—1.5	578,972
Toronto	103,089,126	+2.9	87,792,845
Hamilton ...	6,801,599	+31.7	4,619,997
Kitchener ..	1,005,177	—8.8	983,845
Brantford ...	804,989	—12.4	869,017
London	2,276,904	—12.0	2,517,398
Sarnia	526,274	—4.5	483,039
Sudbury	1,111,166	+13.9	1,600,974
Fort William	710,385	—18.0	551,146
Winnipeg ...	29,908,785	+24.6	35,322,629
Brandon	339,870	—11.0	298,908
Regina	3,241,043	+5.2	3,267,607
Moose Jaw ..	614,346	+7.0	634,039
Prince Albert	385,553	+20.0	287,152
Edmonton ...	3,765,387	—3.7	4,058,028
Calgary	4,369,089	—5.4	4,043,853
Lethbridge ..	485,308	+14.1	484,004
Medicine Hat	252,683	—5.5	220,065
N. W'minster	573,587	—7.2	627,281
Vancouver ..	16,866,657	+1.9	15,425,935
Victoria	1,765,865	+1.5	1,912,868
Saskatoon ...	1,204,041	+5.5	1,088,198

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